

CONTRANS INCOME FUND ANNOUNCES THIRD QUARTER RESULTS

(Woodstock, Ontario, November 10, 2009)

(TSX:CSS.UN)

*(unaudited)**For the periods ended September 30
(in millions except per unit amounts)*

	Three Months				Nine Months			
	2009		2008		2009		2008	
Revenue - as stated	\$ 99.0		\$ 128.9		\$ 274.4		\$ 379.2	
- fuel surcharges ⁽¹⁾	(8.0)		(24.3)		(21.1)		(66.5)	
Revenue - transportation services ⁽¹⁾	91.0	100.0 %	104.6	100.0 %	253.3	100.0 %	312.7	100.0 %
Operating expenses - net of fuel surcharges	69.8	76.7	77.0	73.6	197.4	77.9	237.0	75.8
Selling, general and administration expenses	9.3	10.2	10.6	10.1	26.0	10.3	32.6	10.4
Foreign exchange gain	(0.7)	(0.8)	-	-	(1.3)	(0.5)	(0.5)	(0.2)
Earnings before amortization, interest and income taxes	12.6	13.9	17.0	16.3	31.2	12.3	43.6	14.0
Amortization of property and equipment	3.0	3.3	3.2	3.1	9.1	3.6	9.3	3.0
Amortization of intangible assets	0.9	1.0	0.9	0.9	2.8	1.1	2.8	0.9
Net interest expense	1.4	1.5	1.5	1.4	4.2	1.7	4.3	1.4
Earnings before income taxes	7.3	8.1	11.4	10.9	15.1	5.9	27.2	8.7
Income tax provision (recovery):								
Current	(0.4)	(0.4)	0.1	0.1	1.5	0.6	0.4	0.1
Future	0.9	1.0	(0.1)	(0.1)	(0.9)	(0.4)	0.2	0.1
	0.5	0.6	-	-	0.6	0.2	0.6	0.2
Net earnings	\$ 6.8	7.5 %	\$ 11.4	10.9 %	\$ 14.5	5.7 %	\$ 26.6	8.5 %
Earnings per unit - basic and diluted	\$ 0.23		\$ 0.39		\$ 0.48		\$ 0.92	

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

“Early in 2009, Contrans’ Board of Trustees declared distributions amounting to \$0.21 per unit,” stated Contrans Income Fund’s Chairman and Chief Executive Officer, Stan G. Dunford. “On October 5, 2009, the Board declared a further distribution of \$0.44 per unit and announced that it will consider a final distribution in anticipation of converting back to a corporation on December 1, 2009. Delivering these returns in a year where mere survival has been considered to be a success for many companies is an amazing accomplishment. It speaks volumes about Contrans’ ability to perform well in the bleakest of times.”

“The tremendous popularity of income trusts, prior to the federal government’s decision to make them taxable, was a clear sign to us of the significant demand for yield-bearing securities,” continued Mr. Dunford. “Indeed, there is much to be said for companies that provide regular returns with cash payments over pure growth companies that can only offer the prospect of future stock appreciation. As we move forward, our goal is to continue to deliver great returns to our shareholders, in good times and in bad times. We believe that we can best achieve this goal by continuing to operate in a disciplined and intelligent manner and by remaining a high-yielding security.”

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, 2009 and 2008. 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.

RESULTS FROM OPERATIONS

The current recession has significantly affected the North American trucking industry in 2009. The Fund's year over year revenues and profit performance have declined across all service lines. Third quarter revenue remained lower than last year but has recovered slightly from the first two quarters of 2009. Part of the third quarter improvement came from a project involving the transportation of environmentally-sensitive material that generated \$4.6 million in revenue. Fuel surcharge revenue was lower in 2009 compared to 2008 due to lower fuel prices as well as lower overall volumes.

Overcapacity persists in the freight transportation industry and has adversely affected equipment utilization and freight rates. This has caused the Fund's operating expenses, measured as a percentage of revenue, to increase in 2009. Improved third quarter revenue volume has, however, had a favourable impact on the Fund's operating margin. Accident claim costs fell \$0.5 million in the third quarter of 2009 compared to the third quarter of 2008 (\$1.6 million lower year-to-date) which has also lowered operating expenses.

Cost cutting initiatives undertaken by management in late 2008 and in early 2009 have reduced the Fund's selling, general and administration ("SG&A") expenses in 2009 compared to 2008. Cuts to staff levels and to the management incentive program reduced compensation expenses by \$1.0 million in the third quarter of 2009 compared to the third quarter of 2008 (\$3.9 million reduction year-to-date). Discretionary spending has continued to be closely scrutinized in an effort to further rationalize costs wherever practical. These efforts have reduced third quarter SG&A expenses by \$1.2 million in 2009 compared to 2008 (year-to-date savings of \$2.5 million).

In 2009, the Fund also incurred the following SG&A expenses that are not expected to recur:

- \$0.3 million that related to the Fund's proposed conversion to a corporation in the third quarter. Additional conversion costs of \$0.6 million are expected to be incurred in the fourth quarter.
- \$0.3 million write down on the value of a piece of property in the third quarter. The property is no longer in use and has been listed for sale.
- \$0.3 million provision against notes receivable in the third quarter (\$0.6 million year-to-date) to recognize an increased credit risk.

In 2008, the Fund realigned its east coast operations and approximately \$1.0 million of costs were incurred over the first nine months of the year relating to severance and for early lease termination penalties. The costs were recorded as SG&A expenses.

Foreign exchange gains in 2009 resulted primarily from mark-to-market adjustments to the Fund's outstanding foreign exchange contracts (See "Financial Instruments" below).

Net debt levels fell in 2009 compared to 2008 and as a result net interest expense has decreased by \$0.1 million. The Fund has not had to use its operating line during 2009 other than for letters of credit. Interest earned on cash balances has fallen due to lower average interest rates.

SUMMARY OF QUARTERLY RESULTS

(unaudited) (in millions except per unit amounts)	<i>First Quarter</i>		<i>Second Quarter</i>		<i>Third Quarter</i>		<i>Fourth Quarter</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2008</i>	<i>2007</i>
Revenue – as stated	\$ 88.0	\$ 120.5	\$ 87.4	\$ 129.7	\$ 99.0	\$ 128.9	\$ 109.6	\$ 118.5
– fuel surcharges ⁽¹⁾	(7.1)	(18.2)	(6.0)	(23.9)	(8.0)	(24.3)	(12.7)	(15.2)
Revenue – transportation services ⁽¹⁾	\$ 80.9	\$ 102.3	\$ 81.4	\$ 105.8	\$ 91.0	\$ 104.6	\$ 96.9	\$ 103.3
Net earnings	\$ 1.5	\$ 5.0	\$ 6.2	\$ 10.2	\$ 6.8	\$ 11.4	\$ 3.0	\$ 7.5
Earnings per unit – basic and diluted	\$ 0.05	\$ 0.17	\$ 0.20	\$ 0.35	\$ 0.23	\$ 0.39	\$ 0.10	\$ 0.26

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

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. In 2009 the seasonal factors affecting the Fund's business have been less noticeable due to the impact of the recession.

CASH FLOW

The Fund's Board of Trustees suspended distributions in March 2009 in reaction to the Fund's operating results and the recession. On October 5, 2009, however, a distribution of \$0.44 per unit (\$13.2 million in total) was declared after considering the improved operating results of the Fund. This distribution was paid on October 30, 2009.

Due to the achievement of certain performance objectives contained in the purchase agreement with respect to Tripar Transportation Inc., a company acquired by the Fund in 2006, a final payment of \$3 million was paid out of the Fund's restricted cash and cash equivalents in January, 2009 to Tripar's former owners. Similarly, due to the achievement of certain performance objectives, additional consideration of \$75,000 was paid to the former owners of Narum Transport Ltd., an operation acquired by the Fund in 2007.

The Fund has continued to rationalize its fleet during the economic downturn resulting in the sale of more equipment than in 2008. In addition, the Fund sold a terminal, located in Perth, Ontario, for proceeds of \$0.6 million.

In May 2009, the Fund's distribution reinvestment plan ("DRIP") was terminated. The DRIP had provided \$1.5 million in 2009 (2008 - \$2.9 million).

The balances of accounts receivable and accounts payable increased in the third quarter due to increased revenue volumes. Income taxes payable have also increased primarily due to the suspension of distributions. Accrued liabilities have decreased by \$4.9 million in 2009 due to the settlement of foreign exchange contracts that were on hand at December 31, 2008.

LIQUIDITY AND CAPITAL RESOURCES

(unaudited)
(in millions)

As at	September 30, 2009	December 31, 2008
Cash and cash equivalents	\$ 31.4	\$ 18.5
Restricted cash	\$ 7.4	\$ 10.4
Operating line available	\$ 27.4	\$ 29.1
Current ratio	2.8:1	1.9:1
Total debt (including future tax obligations) to equity ratio	1.0:1	1.1:1

The Fund requires working capital for day-to-day operations. This is sourced from operating cash flows and from its operating line. Management believes that the Fund's operating line, which is secured by and margined with its accounts receivable, is adequate to meet seasonal bulges in working capital requirements.

Under the terms of its long-term credit agreement, the Fund's restricted cash can only be used to finance growth activities or to repay senior secured notes.

Principal maturities of the Fund's senior secured debt are as follows:

(millions)	
December 15, 2013	\$ 31.9
October 15, 2016	\$ 50.0

CASH DISTRIBUTIONS

(unaudited)

(in thousands)

	<i>Three Months Ended</i> <i>September 30,</i> <i>2009</i>	<i>Nine Months Ended</i> <i>September 30,</i> <i>2009</i>	<i>Previously completed fiscal years</i>	
			2008	2007
Cash flow provided by operating activities	\$ 8,443	\$ 24,465	\$ 50,474	\$ 46,597
Net earnings	6,820	14,477	29,512	26,225
Distributions declared	-	6,203	36,457	36,033
Surplus of cash flow from operating activities over distributions declared	\$ 8,443	\$ 18,262	\$ 14,017	\$ 10,564
Surplus (deficit) of net earnings over distributions declared	\$ 6,820	\$ 8,274	\$ (6,945)	\$ (9,808)
Net earnings	\$ 6,820	\$ 14,477	\$ 29,512	\$ 26,225
Change in unrealized loss (gain) on foreign exchange	(1,272)	(5,097)	5,131	(553)
Amortization of intangible assets	943	2,828	3,778	3,881
Change in future income tax provision (recovery)	921	(910)	113	6,897
Net earnings before change in unrealized loss (gain) on foreign exchange, amortization of intangible assets and future income tax provision (recovery)	\$ 7,412	\$ 11,298	\$ 38,534	\$ 36,450
Surplus of net earnings before change in unrealized loss (gain) on foreign exchange, amortization of intangible assets and future income tax provision (recovery) over distributions declared	\$ 7,412	\$ 5,095	\$ 2,077	\$ 417

DISTRIBUTABLE CASH ⁽¹⁾

(unaudited)

(in thousands except per unit amounts)

For the periods ended September 30	Three Months		Nine Months	
	2009	2008	2009	2008
Cash flow provided by operating activities	\$ 8,443	\$ 18,909	\$ 24,465	\$ 30,833
Change in non-cash working capital	2,556	(3,013)	(3,494)	8,499
Proceeds on sale of equipment	1,401	833	3,908	2,496
Asset retirement obligations - settlements	(75)	(121)	(133)	(144)
Repayment of capital lease obligations	(493)	(938)	(1,375)	(1,260)
Repayment of long-term debt	(39)	-	(393)	(378)
Maintenance capital expenditures ⁽¹⁾	(1,628)	(883)	(4,104)	(3,226)
Distributable cash earned before proceeds on disposal of business units ⁽¹⁾	10,165	14,787	18,874	36,820
Proceeds on disposal of business units	-	2,107	100	2,107
Distributable cash earned ⁽¹⁾	10,165	16,894	18,974	38,927
Distributions declared	-	9,146	6,203	27,228
Surplus of distributable cash earned over distributions declared	\$ 10,165	\$ 7,748	\$ 12,771	\$ 11,699
Per unit calculations				
Distributable cash earned before proceeds on sale of business units	\$ 0.34	\$ 0.51	\$ 0.63	\$ 1.27
Proceeds on sale of business units	-	0.07	-	0.07
	\$ 0.34	\$ 0.58	\$ 0.63	\$ 1.34
Distributions declared per unit	-	0.31	0.21	0.94
Surplus of distributable cash earned over distributions declared per unit	\$ 0.34	\$ 0.27	\$ 0.42	\$ 0.40
Weighted average number of units outstanding	29,937	29,219	29,884	29,003
Purchase of property and equipment				
Maintenance capital expenditures ⁽¹⁾	\$ 1,628	\$ 883	\$ 4,104	\$ 3,226
Growth capital expenditures ⁽¹⁾	1,219	111	4,039	2,547
Total	\$ 2,847	\$ 994	\$ 8,143	\$ 5,773

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

On August 5, 2009, the Fund's Board of Trustees announced its intention to recommend to unitholders that they approve a conversion of the Fund into a corporation. The effective date of the conversion will be on or about December 1, 2009. The conversion is subject to unitholder approval which will be requested at a special meeting of unitholders to be held on November 26, 2009.

In the event that this conversion takes place, management will be recommending a dividend policy. While no final decision can be made concerning this dividend policy at this time, management believes that a payout of 30% of the free cash flow of the new public corporation, paid quarterly, would satisfy the goals of yield-seeking investors. However, the payment of dividends will always remain subject to the discretion of the corporation's Board of Directors.

On October 5, 2009 the Board of Trustees met and declared a cash distribution of \$0.44 per unit, payable on October 30, 2009, to unitholders of record as at October 15, 2009. This decision was made based on the Fund's financial performance to date in 2009, its financial condition, the current economic climate, as well as the financial covenants that are contained in the Fund's loan agreements. The Board had previously suspended distributions at a meeting held on March 12, 2009. The Board of Trustees will also be considering a final distribution for the Fund at a meeting scheduled for November 20, 2009. The Board of Trustees has indicated that the amount of the final distribution may be equal to the Fund's 2009 estimated taxable income through November 30, 2009 less distributions previously paid. The Board of Trustees will carefully consider the Fund's operating results, financial position and financing commitments, the economic environment in which the Fund operates before declaring this distribution. If declared, the distribution is expected to be paid in January of 2010 to unitholders of record on or about November 30, 2009.

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 when financing is available. Similarly, cash generated by changes in non-cash working capital is not considered distributable to unitholders. Proceeds from the sale of retired highway equipment effectively reduce the cost of maintenance capital expenditures and therefore these proceeds need to be considered when determining what amounts can be distributed to unitholders. Settlements of asset retirement obligations reflect amounts paid by the Fund, at the termination of equipment leases, to bring such equipment to the condition that was stipulated and agreed to in each lease contract. Accordingly, these settlements need to be considered when determining distributable cash earned since they are not deducted from cash provided by (used in) operating activities in the consolidated statements of cash flow. Maintenance capital expenditures refer to capital expenditures that are necessary to sustain current revenue levels and therefore reduce the amount of cash that is available for distribution.

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.

Distributable cash, distributable cash earned, maintenance capital expenditures, 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.

CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME

(in thousands except for per unit amounts)

(unaudited)

For the periods ended September 30

	Three Months		Nine Months	
	2009	2008	2009	2008
Revenue	\$ 99,009	\$ 128,933	\$ 274,402	\$ 379,204
Operating expenses	77,717	101,234	218,503	303,465
Selling, general and administration expenses	9,279	10,643	25,959	32,611
Foreign exchange loss (gain)	(658)	17	(1,273)	(502)
Amortization of property and equipment	2,985	3,164	9,062	9,240
Amortization of intangible assets	943	944	2,828	2,833
	8,743	12,931	19,323	31,557
Net interest expense (income) - long-term	1,456	1,609	4,372	4,695
- short-term	(35)	(118)	(145)	(360)
Earnings before Income Taxes	7,322	11,440	15,096	27,222
Income Tax Provision (Recovery)				
Current	(419)	158	1,529	452
Future	921	(140)	(910)	200
	502	18	619	652
Net Earnings and Comprehensive Income	\$ 6,820	\$ 11,422	\$ 14,477	\$ 26,570
Earnings per unit - basic and diluted	\$ 0.23	\$ 0.39	\$ 0.48	\$ 0.92
Weighted average number of units outstanding - basic and diluted	29,937	29,219	29,884	29,003

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

(in thousands)

(unaudited)

For the periods ended September 30

	Three Months		Nine Months	
	2009	2008	2009	2008
Retained Earnings – Beginning of Period	\$ 1,889	\$ 4,446	\$ 435	\$ 7,380
Net earnings	6,820	11,422	14,477	26,570
Distributions declared	-	(9,146)	(6,203)	(27,228)
Retained Earnings – End of Period	\$ 8,709	\$ 6,722	\$ 8,709	\$ 6,722

The accompanying notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS

(in thousands)

As at

	September 30 2009	December 31 2008
	(unaudited)	(audited)
Assets		
Current Assets		
Cash and cash equivalents	\$ 31,368	\$ 18,451
Accounts receivable	50,970	49,089
Income taxes recoverable	-	538
Other current assets	5,907	6,167
	88,245	74,245
Restricted Cash (Note 6)	7,375	10,375
Notes Receivable (Note 3)	320	538
Property and Equipment	101,820	106,551
Intangible Assets	16,077	18,905
Goodwill	63,764	63,978
	\$ 277,601	\$ 274,592
Liabilities and Unitholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 29,320	\$ 33,215
Distributions payable	-	3,087
Income taxes payable	644	-
Current portion of capital lease obligations	1,646	1,823
Current portion of long-term debt	333	-
	31,943	38,125
Long-Term Debt	85,288	83,686
Capital Lease Obligations	6,189	7,518
Asset Retirement Obligations	932	1,036
Future Income Taxes	14,863	15,773
	139,215	146,138
Unitholders' Equity (Note 4)		
Contributed surplus	961	834
Trust units	128,716	127,185
Retained earnings	8,709	435
	138,386	128,454
	\$ 277,601	\$ 274,592

Subsequent event (Notes 12)

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOW

(in thousands)

(unaudited)

For the periods ended September 30

	Three Months		Nine Months	
	2009	2008	2009	2008
Cash Provided by (Used in):				
Operating Activities				
Net earnings	\$ 6,820	\$ 11,422	\$ 14,477	\$ 26,570
Items not affecting cash:				
Change in unrealized loss (gain) on foreign exchange	(1,272)	445	(5,097)	388
Unit-based compensation expense (Note 7)	84	22	127	67
Long-term debt – accretion	20	36	59	110
Loss (gain) on sale of business units (Note 3)	-	79	(23)	79
Fair value adjustment of notes receivable (Note 3)	311	-	568	-
Asset retirement obligations - accretion	10	12	30	38
Amortization of property and equipment	2,985	3,164	9,062	9,240
Amortization of intangible assets	943	944	2,828	2,833
Future income taxes	921	(140)	(910)	200
Loss (gain) on sale of equipment	177	(88)	(150)	(193)
	10,999	15,896	20,971	39,332
Change in non-cash working capital (Note 8)	(2,556)	3,013	3,494	(8,499)
	8,443	18,909	24,465	30,833
Investing Activities				
Expended on acquisitions (Note 9)	(75)	-	(3,075)	-
Transfer from restricted cash	-	-	3,000	-
Asset retirement obligations - settlements	(75)	(121)	(133)	(144)
Proceeds on disposal of business units (Note 3)	-	2,107	100	2,107
Proceeds from note receivable (Note 3)	32	-	53	-
Proceeds on sale of equipment	1,401	833	3,908	2,496
Purchase of property and equipment	(2,847)	(994)	(8,143)	(5,773)
	(1,564)	1,825	(4,290)	(1,314)
Financing Activities				
Distributions paid	-	(9,122)	(9,290)	(27,167)
Repayment of operating loan	-	(4,851)	-	-
Proceeds from long-term debt	2,143	68	2,269	321
Repayment of long-term debt	(39)	-	(393)	(378)
Repayment of capital lease obligations	(493)	(938)	(1,375)	(1,260)
Distribution reinvestment plan (Note 4)	-	1,992	1,531	4,905
	1,611	(12,851)	(7,258)	(23,579)
Increase in Cash and Cash Equivalents	8,490	7,883	12,917	5,940
Cash and Cash Equivalents – Beginning of Period	22,878	358	18,451	2,301
Cash and Cash Equivalents – End of Period	\$ 31,368	\$ 8,241	\$ 31,368	\$ 8,241

The accompanying notes are an integral part of these statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended September 30, 2009 and 2008

(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, 2008 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, 2008.

2. Adoption of Accounting Standards

Effective January 1, 2009, the Fund adopted the Canadian Institute of Chartered Accountants (“CICA”) revised Handbook Section 3064 - Goodwill and Intangible Assets. This section establishes new standards for the recognition and measurement of intangible assets, but does not affect accounting for goodwill. Adoption of this revised section had no impact on the Fund’s financial statements.

Effective January 20, 2009 the Fund adopted the Emerging Issues Committee (“EIC”) abstract EIC 173 – Credit Risks and the Fair Value of Financial Assets and Liabilities. This abstract provides further guidance on CICA Handbook Section 3855 Financial Instruments – Recognition and Measurement and concludes that an entity’s own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities. Adoption of EIC 173 had no significant impact on the Fund’s financial statements.

3. Disposal of Business Units

Net book value of assets disposed:

Business Unit	Veritrans (1)		
Property and Equipment			\$ 53
Goodwill			289
Other current assets			10
Accounts receivable			31
Accounts payable and accrued liabilities			(6)
			<u>\$ 377</u>
Consideration received:			
Cash			\$ 100
Note receivable (fair value):			
Current			137
Long-term			163
			<u>\$ 400</u>
Loss (gain) on sale of business unit			<u>\$ (23)</u>
Notes receivable (fair value)	Current	Long-term	Total
Note received as part consideration for plant services	\$ 307	\$ 687	\$ 994
Fair value adjustment - 2008	(77)	(149)	(226)
As at December 31, 2008	\$ 230	\$ 538	\$ 768
Note received as part consideration for Veritrans	137	163	300
Cash received	(53)	-	(53)
Fair value adjustments - 2009	(187)	(381)	(568)
As at September 30, 2009	\$ 127	\$ 320	\$ 447

(1) In March 2009, the Fund disposed of its fuel tax reporting and driver log checking operation (Veritrans). This operation was acquired by the Fund in 2005 and generated \$0.2 million of revenues for the year ended December 31, 2008. Principal payments are based on revenues generated and are payable monthly. The note matures in April 2013.

The current portions of the notes receivable are included in accounts receivable. The fair value adjustments to the notes receivable were made to reflect increased credit risk.

4. Unitholders' Equity

	Contributed Surplus	Trust Units	Retained Earnings	Total
Balance at December 31, 2008	\$ 834	\$ 127,185	\$ 435	\$ 128,454
Net earnings	-	-	14,477	14,477
Distributions declared	-	-	(6,203)	(6,203)
Distribution reinvestment plan	-	1,531	-	1,531
Unit-based compensation	127	-	-	127
Balance at September 30, 2009	\$ 961	\$ 128,716	\$ 8,709	\$ 138,386

Conversion

On August 5, 2009, the Fund's Board of Trustees recommended to unitholders that they approve a conversion of the Fund into a corporate entity. If the Fund's unitholders approve this recommendation, the conversion will be treated as a change in business form and will be accounted for using the continuity of interests method, in accordance with EIC 170, "Conversion of an Unincorporated Entity to an Incorporated Entity". The unitholder vote on the conversion will take place on November 26, 2009. Transaction costs will be treated as an expense in the period in which they are incurred. Costs incurred to date have amounted to \$0.3 million. Comparative information will be that of the pre-conversion entity as previously reported and changes in tax balances will be included as part of the income tax provision.

5. Financial Instruments

a) Derivative financial instruments

The Fund, from time to time, enters into foreign exchange contracts to manage its exposure to currency fluctuations. As at September 30, 2009 the Fund had the following net contracts in place to sell US dollars in order to hedge foreign exchange risk on US dollar-denominated net assets:

Maturity dates	Monthly amount	CAD \$ Settlement rates
Oct 2009	US \$2 million	\$1.0200 – \$1.1095
Nov and Dec 2009	US \$2 million	\$1.0500 – \$1.1529

As at September 30, 2009, the fair value of these contracts was a nominal amount (December 31, 2008 – liability of \$4.9 million) and is included in accounts receivable on the consolidated balance sheets.

b) Risk management

The Fund 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 the Fund's risks and related exposures are consistent with its business objectives and risk tolerance. There have been no significant changes to the Fund's risk management strategies since December 31, 2008.

6. Restricted Cash

Under the terms of the long-term debt facility, the restricted cash amount of \$7.4 million on hand at September 30, 2009 (December 31, 2008 - \$10.4 million) may only be used to repay senior secured notes and to fund growth opportunities.

7. Unit-based Compensation

	Units	Weighted Average Exercise Price
Unit options outstanding - December 31, 2008	2,019	\$12.22
Terminated	(2,014)	-
Cancelled	(5)	-
Unit options outstanding - September 30, 2009	-	-

All outstanding unit options were returned by employees during 2009 and cancelled by the Fund. Vesting was considered to be accelerated in accordance with generally accepted accounting principles resulting in an additional charge to compensation expense of \$0.1 million.

8. Cash Flow

Change in non-cash working capital:

Period ended September 30	Three Months		Nine Months	
	2009	2008	2009	2008
Increase in accounts receivable	(\$8,871)	(\$561)	(\$1,973)	(\$8,860)
Decrease (increase) in other current assets	349	613	250	(762)
Increase in accounts payable and accrued liabilities	6,502	2,846	4,035	2,014
Increase (decrease) in income taxes payable	(536)	115	1,182	(891)
Net change in non-cash working capital	(\$2,556)	\$3,013	\$3,494	(\$8,499)

Cash paid in respect of:

Interest	\$1,456	\$1,664	\$4,372	\$4,750
Income taxes - net	121	119	409	1,556
Non-cash transactions				
Value of equipment financed through capital leases	-	3,409	-	10,050

9. Acquisitions

Due to the achievement of certain performance objectives, in January, 2009, additional consideration of \$3 million was paid out of restricted cash, to the former owners of Tripar Transportation Inc (“Tripar”), a company acquired by the Fund in 2006. This additional consideration was accrued in the financial statements at December 31, 2008 and was allocated to goodwill. In addition, due to the achievement of certain performance objectives, additional consideration of \$75,000 was paid to the former owners of Narum Transport Ltd, an operation acquired by the Fund in 2007.

10. Comparative Figures

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

11. 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. In 2009 the seasonal factors affecting the Fund’s business have been less noticeable due to the impact of the recession.

12. Subsequent Event

On October 5, 2009, the Fund's Board of Trustees announced that it would be paying a distribution of \$0.44 per unit, on October 30, 2009, to unitholders of record on October 15, 2009. This distribution amounted to \$13.2 million.

13. Future Accounting Changes

a) Financial Instruments – Disclosure

In June 2009, the CICA amended Section 3862, "Financial Instruments – Disclosures" to include additional disclosure requirements about fair value measurement of financial instruments and liquidity risk disclosures. These amendments require a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. Fair value of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than the quoted prices for which all significant inputs are based on observable market data, either directly or indirectly. Level 3 valuations are based on inputs that are not based on observable market data. The amendments to Section 3862 apply for annual financial statements relating to fiscal years ending after September 30, 2009. The Fund is assessing the impact of these amendments on its consolidated financial statements.

b) International Financial Reporting Standards ("IFRS")

In February 2008 the Accounting Standards Board ("AcSB") 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. The Fund has completed its initial assessment of the possible impacts of implementing IFRS and the standards which may have the most significant impact on the Fund, upon first adoption of IFRS include IAS 16 – Property, Plant and Equipment, IAS 36 – Impairment of Assets, and IFRS 1 – First-time Adoption of International Financial Reporting Standards. The quantitative impacts, if any, to the consolidated financial statements upon the adoption of IFRS are not reasonably determinable at present.

Contrans has been providing freight transportation services since 1985. With approximately 1,200 power units and 2,200 trailers under management, Contrans is one of the largest freight transportation companies in Canada.

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