



Trimac Income Fund

Third Quarter News Release,
Management's Discussion and Analysis,
and Interim Unaudited Consolidated
Financial Statements for the period ended
September 30, 2009

November 13, 2009

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Trimac Announces Third Quarter Results

Calgary, Alberta – **November 13, 2009** – **Trimac Income Fund** (TSX Symbol TMA.UN) (the “Fund”) today released the financial results of the Fund and Trimac Transportation Services Limited Partnership (“Trimac” or the “Partnership”) for the third quarter ended September 30, 2009.

Partnership (millions of dollars)	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Transportation revenue	62.9	71.6	181.9	206.9
Fuel surcharges	4.7	17.2	13.1	41.7
Total revenue	67.6	88.8	195.0	248.6
EBITDA ⁽¹⁾	9.1	14.4	21.8	30.8
Net earnings	3.8	7.6	4.2	10.8

The Fund (millions of dollars, except per unit amounts and numbers of units)	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Distributable cash per unit ^{(1) (2)}	\$0.1758	\$0.4582	\$0.4769	\$0.8208
Distributions per unit ⁽¹⁾	\$0.1200	\$0.2313	\$0.3600	\$0.6939
Basic earnings per unit	\$0.0887	\$0.2305	\$0.1168	\$0.3602
Fully diluted earnings per unit	\$0.0887	\$0.2305	\$0.1162	\$0.3602
Weighted average number of units used in computing basic earnings per unit	12,584,679	12,571,134	12,584,679	12,571,134
Number of units outstanding used in computing diluted earnings per unit	25,734,152	24,530,426	25,734,152	24,530,426

(1) EBITDA, distributable cash per unit and distributions per unit are not recognized measures under generally accepted accounting principles (GAAP) and do not have a standardized meaning prescribed by GAAP. Therefore, these amounts may not be comparable to similar measures presented by other issuers. Management considers EBITDA and distributable cash to be key measures that indicate the ability of the Fund to meet its capital and financing commitments.

(2) Distributable cash available will fluctuate on a monthly basis due to seasonal cash flows, sustaining capital incurred, income taxes, and interest paid. See “Distributable Cash” for additional commentary.

Trimac’s revenue, including fuel surcharges, for the three-month period ended September 30, 2009 (“current period”) decreased by \$21.2 million or 23.9 percent from the three-month period ended September 30, 2008 (“prior period”). Contributing to this decrease was a \$12.5 million reduction in revenue from fuel surcharges. In addition, revenue continued to be affected by competitive pressures and reduced levels of activity in the construction, drilling, mining, automotive, and forestry industries. EBITDA decreased by \$5.3 million or 36.8 percent from the prior period. Expressed as a percent of revenue, EBITDA was 13.5 percent in the current period, as compared to 16.2 percent recorded in the prior period.

The Partnership has entered into commitment letters with two Canadian Chartered Banks to expand its revolving line of credit from \$60 million to up to \$100 million. The completion of this loan transaction is subject to completion of satisfactory loan documents.

In commenting on the results for the third quarter, Jeffrey J. McCaig, Chairman and CEO of Trimac, said:

“Despite the continuation of a challenging operating environment throughout Canada, Trimac was able to mitigate the effects of reduced revenue through the successful implementation of cost reduction programs. Trimac’s management is continuing to implement cost controls and pursuing additional profitable business in an attempt to further mitigate the impact of the current recession. “

For comments regarding management’s outlook for the remainder of 2009 please see Trimac’s Management’s Discussion and Analysis for the nine-month period ended September 30, 2009.

Financial Highlights

(millions of dollars)	Three months ended		Nine months ended	
	September 30		September 30	
	2009	2008	2009	2008
Revenues				
Transportation revenue	62.9	71.6	181.9	206.9
Fuel surcharges	4.7	17.2	13.1	41.7
	67.6	88.8	195.0	248.6
Direct costs	48.6	62.9	141.9	183.0
Selling and administrative	9.9	11.5	31.3	34.8
	9.1	14.4	21.8	30.8
EBITDA ⁽¹⁾	9.1	14.4	21.8	30.8
Depreciation net of gains on disposal of capital assets	5.2	5.3	15.2	15.7
	3.9	9.1	6.6	15.1
Operating earnings	3.9	9.1	6.6	15.1
Interest expense (net)	0.9	1.2	2.9	3.7
	3.0	7.9	3.7	11.4
Earnings before taxes	3.0	7.9	3.7	11.4
Income tax (recovery) expense	(0.8)	0.3	(0.5)	0.6
	3.8	7.6	4.2	10.8
Net earnings	3.8	7.6	4.2	10.8
As a percentage of revenue ⁽²⁾				
Direct costs	71.9%	70.8%	72.8%	73.6%
Selling and administrative	14.6%	13.0%	16.1%	14.0%
EBITDA ⁽¹⁾	13.5%	16.2%	11.2%	12.4%
Depreciation	7.7%	6.0%	7.8%	6.3%
Operating earnings	5.8%	10.2%	3.4%	6.1%

(millions of dollars)	As at	As at
	September 30, 2009	December 31, 2008
Total assets	141.3	152.7
Total long-term liabilities	44.7	47.2

The above selected financial and operating information has been derived from, and should be read in conjunction with, the unaudited interim consolidated financial statements of the Partnership.

- (1) EBITDA (earnings before interest, taxes, depreciation and amortization) is not a recognized measure under GAAP, does not have a standardized meaning prescribed by GAAP and, therefore, may not be comparable to similar measures presented by other issuers. Management believes that EBITDA is a useful complementary measure of cash available for distribution before debt servicing expense, capital expenditures and income taxes.
- (2) Direct costs, selling and administrative and depreciation, expressed as a percentage of revenue, were impacted by significant fluctuations in fuel surcharge revenue between the prior and current period and the prior and current nine month year-to-date period. For additional commentary regarding these expenses please see page 8 and 9 of Trimac's Management's Discussion and Analysis for the nine-month period ended September 30, 2009.

Distributable Cash

The table below illustrates distributable cash to unitholders beginning with net cash provided by the Partnership's operations.

(millions of dollars except unit amounts, certain percentages and number of units)	Three months ended		Nine months ended	
	September 30		September 30	
	2009	2008	2009	2008
Net cash provided by operations	8.5	11.3	22.0	24.8
Net change in non-cash working capital ⁽¹⁾	(0.4)	1.4	(3.3)	1.3
Cash provided by operations	8.1	12.7	18.7	26.1
Less adjustments for:				
Net sustaining capital expenditures (net of proceeds) ⁽²⁾⁽³⁾	(2.8)	(1.1)	(4.7)	(4.9)
Provision for long-term unfunded contractual operational obligations ⁽⁴⁾	(0.3)	0.2	(0.5)	0.3
Total estimated cash available for distribution (before public expenses)	5.0	11.8	13.5	21.5
Percentage of available cash distributable to unitholders ⁽⁵⁾	49%	51%	49%	51%
Cash available for distribution to unitholders (before public expenses)	2.4	6.0	6.6	11.0
Public expenses ⁽⁶⁾	(0.2)	(0.2)	(0.6)	(0.7)
Distributable cash from operations ⁽²⁾⁽⁷⁾	2.2	5.8	6.0	10.3
Distributions declared and payable	1.5	2.9	4.6	8.7
Distributable cash per unit ⁽²⁾⁽⁷⁾	0.1758	0.4582	0.4769	0.8208
Distributions declared per unit ⁽⁹⁾	0.1200	0.2313	0.3600	0.6939
Payout ratio ⁽²⁾⁽⁷⁾	68.3%	50.5%	75.5%	84.5%
Weighted average number of units outstanding	12,584,679	12,571,134	12,584,679	12,571,134
Net capital expenditures				
Sustaining capital expenditures ⁽²⁾	2.9	1.6	6.1	7.3
Proceeds on disposal of replaced assets	(0.1)	(0.5)	(1.4)	(2.4)
Net sustaining capital expenditures ⁽²⁾⁽³⁾	2.8	1.1	4.7	4.9
Growth capital expenditures ⁽²⁾⁽⁸⁾	1.8	0.8	5.7	5.6
	4.6	1.9	10.4	10.5

(1) Changes in non-cash operating assets and liabilities are not included in the calculation of distributable cash. Working capital investments are funded through a combination of cash flow not distributed and the use of credit facilities available to the Partnership.

(2) Distributable cash from operations, sustaining capital expenditures, net sustaining capital expenditures, payout ratio, and growth capital expenditures are not measures recognized by GAAP, do not have standardized meanings prescribed by GAAP and may not be comparable to similarly named measures presented by other issuers.

(3) Net sustaining capital expenditures refers to capital expenditures, net of proceeds on disposal of assets replaced, which are necessary to sustain current revenue levels.

(4) Represents a provision for cash requirements relating to a long-term incentive plan and an executive pension liability.

(5) Percentage is equal to weighted average number of units outstanding of 12,584,679 divided by fully diluted units of 25,734,152.

(6) Represents expenses associated with the Fund's status as a reporting issuer.

(7) Distributable cash available will fluctuate on a monthly basis due to seasonal cash flows, sustaining capital expenditures incurred, income taxes paid and interest costs on outstanding debt.

(8) Cash used to fund growth capital expenditures does not affect distributable cash to unitholders where financing is available for these purposes. The Partnership funds growth capital from undistributed cash from operations, cash available from distributions on non-cash exchangeable shares and, to the extent available, existing lines of credit.

(9) Effective January 2009, the monthly distribution per unit was reduced from \$0.0771 to \$0.04.

During the current period the Partnership's cash provided by operations decreased by \$4.6 million, net sustaining capital expenditures increased by \$1.7 million and the provision for long-term unfunded executive compensation plans increased by \$0.5 million. The Fund's distributable cash from operations was \$2.2 million in the current period, less than that recorded in the prior period by \$3.6 million. This decrease was the result of the Fund's share of the aforementioned Partnership changes in cash provided by operations, provisions for executive compensation plans, and sustaining capital. During the nine-month period ended September 30, 2009 ("current year") distributable cash from operations was \$6.0 million, a

\$4.3 million decrease compared to the nine-month period ended September 30, 2008 (“prior year”). The decrease was due to decreased cash provided by operations and an increase in the provision for unfunded executive compensation plans, partially offset by a slightly reduced level of net sustaining capital expenditures.

Distributions in the current period were paid using cash generated from operations including cash retained in the business relating to non-cash exchangeable shares. Due to the seasonal nature of the Partnership’s business and the timing of sustaining capital purchases, the amount of distributable cash may vary from quarter to quarter. Trimac’s Board of Directors approves the level of monthly distributions based upon estimated cash flow on an annual basis, less estimated cash required for debt service, cash taxes, other amounts (including sustaining capital expenditures, working capital and provisions) to stabilize the monthly amount of distributions to unitholders as may be considered appropriate by the Board of Directors. Growth capital expenditures are funded from undistributed cash from operations, cash available from notional distributions on non-cash exchangeable shares, and, to the extent available, cash and existing lines of credit.

Distributable cash from operations is not a defined term under GAAP but is determined by the Partnership as net cash provided by operations for the period, adjusted to remove specific non-cash items, including changes in working capital, and reduced by sustaining capital expenditures, provisions for funding long-term liabilities, provisions for committed capital purchases in progress and public costs.

Management believes that distributable cash from operations is a useful supplemental measure of performance as it provides investors with an indication of the amount of cash available for distribution to unitholders. Investors are cautioned, however, that distributable cash from operations should not be construed as an alternative to using net income as a measure of profitability or as an alternative to the statement of cash flows. In addition, the Fund’s method of calculating distributable cash from operations may not be comparable to calculations used by other issuers.

Operating Results

Revenue – Q3

Three months ended September 30										
(millions of dollars)	2009			2008			Gross Revenue		Net Revenue	
	Total Revenue	Fuel Surcharges	Transportation Revenue	Total Revenue	Fuel Surcharges	Transportation Revenue	Variance	%	Variance	%
Bulk trucking										
Western division	39.5	2.7	36.8	55.2	11.6	43.6	(15.7)	-28.4%	(6.8)	-15.6%
Eastern division	25.0	2.0	23.0	29.9	5.6	24.3	(4.9)	-16.4%	(1.3)	-5.3%
Total bulk trucking	64.5	4.7	59.8	85.1	17.2	67.9	(20.6)	-24.2%	(8.1)	-11.9%
Bulk Plus Logistics	3.1	-	3.1	3.7	-	3.7	(0.6)	-16.2%	(0.6)	-16.2%
Total revenue	67.6	4.7	62.9	88.8	17.2	71.6	(21.2)	-23.9%	(8.7)	-12.2%

For the current period, total revenue decreased by \$21.2 million or 23.9 percent from the prior period. Fuel surcharges as a percentage of bulk trucking revenue totalled approximately 7.5 percent in comparison to 24.0 percent in the prior period, resulting in a decrease of \$12.5 million. Trimac has fuel surcharge programs in place with substantially all of its customers. Revenue net of fuel surcharges decreased by \$8.7 million or 12.2 percent from the prior period primarily due to business losses, price erosion, and lower volumes with existing customers.

The western division's revenue decreased by \$15.7 million or 28.4 percent. Fuel surcharge revenue was \$8.9 million lower than the prior period. Revenue net of fuel surcharges decreased by \$6.8 million or 15.6 percent compared to the prior period. Incremental revenue of \$1.9 million from the December 5, 2008 acquisition of Canamera Carriers Inc. (Canamera) was offset by net business losses and reduced volumes with existing customers. This reduction in volumes impacted the majority of the western division's product lines and was due to continued recessionary conditions in the economy.

The eastern division's revenue decreased by \$4.9 million or 16.4 percent. Fuel surcharge revenue was \$3.6 million lower than the prior period. Revenue net of fuel surcharges decreased by \$1.3 million or 5.3 percent compared to the prior period. This decrease was predominantly due to reduced volumes with existing customers and net business losses. Decreased volumes were primarily the result of continued economic weakness in central Canada and occurred predominantly in the petroleum and chemical product lines.

For the current period, Bulk Plus Logistics' (BPL) revenue decreased by \$0.6 million or 16.2 percent. This decrease was primarily due to lower freight brokerage volumes in Canada and the U.S., in addition to decreased revenue generated by the Canadian and U.S. consulting operations.

Revenue – YTD Q3

Nine months ended September 30										
(millions of dollars)	2009			2008			Gross Revenue		Net Revenue	
	Total Revenue	Fuel Surcharges	Transportation Revenue	Total Revenue	Fuel Surcharges	Transportation Revenue	Variance	%	Variance	%
Bulk trucking										
Western division	112.4	7.7	104.7	149.9	27.3	122.6	(37.5)	-25.0%	(17.9)	-14.6%
Eastern division	73.1	5.4	67.7	86.5	14.4	72.1	(13.4)	-15.5%	(4.4)	-6.1%
Total bulk trucking	185.5	13.1	172.4	236.4	41.7	194.7	(50.9)	-21.5%	(22.3)	-11.5%
Bulk Plus Logistics	9.5	-	9.5	12.2	-	12.2	(2.7)	-22.1%	(2.7)	-22.1%
Total revenue	195.0	13.1	181.9	248.6	41.7	206.9	(53.6)	-21.6%	(25.0)	-12.1%

For the current year, total revenue decreased by \$53.6 million or 21.6 percent from the prior year. Fuel surcharges as a percentage of bulk trucking revenue totalled approximately 7.2 percent in comparison to 20.2 percent in the prior year, resulting in a decrease of \$28.6 million as a result of lower fuel prices. Revenue net of fuel surcharges decreased by \$25.0 million or 12.1 percent from the prior year primarily as a result of business losses, price erosion, and lower volumes with existing customers.

The western division's revenue decreased by \$37.5 million or 25.0 percent. Fuel surcharge revenue was \$19.6 million lower than the prior year. Revenue net of fuel surcharges decreased by \$17.9 million or 14.6 percent compared to the prior year. Incremental revenue of \$4.9 million from the December 5, 2008 acquisition of Canamera Carriers Inc. (Canamera) and increased revenue in the edible product line was more than offset by net business losses and reduced volumes with existing customers. This reduction in volumes was primarily due to the economic recession.

The eastern division's revenue decreased by \$13.4 million or 15.5 percent. Fuel surcharge revenue was \$9.0 million lower than the prior year. Revenue net of fuel surcharges decreased by \$4.4 million or 6.1 percent compared to the prior year. Increased revenue from the industrial gas and edible product lines were offset by net business losses and decreased volumes with existing customers. These decreased volumes were primarily the result of continued economic weakness in central Canada, predominantly in the petroleum and chemical product lines.

For the current year, Bulk Plus Logistics' (BPL) revenue decreased by \$2.7 million or 22.1 percent. This decrease was primarily due to the exiting of a transload management contract in May 2008 and decreased freight brokerage volumes in Canada and the U.S.

EBITDA – Q3

Three months ended September 30							
(millions of dollars)	2009	% Rev.	2008	% Rev.	Variance	%	% Rev. change
Bulk trucking							
Western division	6.0	15.2%	10.9	19.7%	(4.9)	-45.0%	-4.6%
Eastern division	2.0	8.0%	2.9	9.7%	(0.9)	-31.0%	-1.7%
Total bulk trucking	8.0	12.4%	13.8	16.2%	(5.8)	-42.0%	-3.8%
Bulk Plus Logistics	0.5	16.1%	1.0	27.0%	(0.5)	-50.0%	-10.9%
Other	0.6		(0.4)		1.0		
Total EBITDA	9.1	13.5%	14.4	16.2%	(5.3)	-36.8%	-2.7%

EBITDA for the current period totaled \$9.1 million, a \$5.3 million or 36.8 percent decrease from the prior period. The western division experienced a \$4.9 million or 45.0 percent decrease in the current period. This decrease was primarily the result of lower revenue which was mitigated by lower direct costs, primarily due to various cost reduction programs implemented to reflect lower volumes. The eastern division had reduced EBITDA of \$0.9 million or 31.0 percent as lower revenue was mitigated by a reduction in direct costs, which were also due to various cost reduction programs. BPL's EBITDA was \$0.5 million lower than in the prior period as a result of lower revenue and higher operating costs in the logistics operations.

EBITDA – Q3 YTD

Nine months ended September 30							
(millions of dollars)	2009	% Rev.	2008	% Rev.	Variance	%	% Rev. change
Bulk trucking							
Western division	14.9	13.3%	22.7	15.1%	(7.8)	-34.4%	-1.9%
Eastern division	5.0	6.8%	6.0	6.9%	(1.0)	-16.7%	-0.1%
Total bulk trucking	19.9	10.7%	28.7	12.1%	(8.8)	-30.7%	-1.4%
Bulk Plus Logistics	1.9	20.0%	2.0	16.4%	(0.1)	-5.0%	3.6%
Other	-		0.1		(0.1)		
Total EBITDA	21.8	11.2%	30.8	12.4%	(9.0)	-29.2%	-1.2%

EBITDA for the current year totalled \$21.8 million, a \$9.0 million or 29.2 percent decrease from the prior year. The western division experienced a \$7.8 million or 34.4 percent decrease in the period, and the eastern division was lower than prior by \$1.0 million or 16.7 percent. These decreases were primarily the result of lower revenue which was mitigated by lower direct costs, primarily due to various cost reduction programs implemented to address lower volumes. BPL's EBITDA was \$0.1 million or 5.0 percent less than in the prior year as lower revenue was mitigated by a reduction in direct costs. The reduction in direct costs was the result of reduced activity in the freight brokerage product line which has a higher percentage of direct operating costs than other product lines within BPL, as well as management's decision to exit a transload management contract in May 2008.

Capital Expenditures

(millions of dollars)	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
Gross sustaining capital expenditures	2.9	1.6	6.1	7.3
Less: proceeds on disposal of capital assets	(0.1)	(0.5)	(1.4)	(2.4)
Net sustaining capital expenditures	2.8	1.1	4.7	4.9
Growth capital expenditures	1.8	0.8	5.7	5.6
Net capital expenditures	4.6	1.9	10.4	10.5

The Partnership's net capital expenditures, including growth and sustaining capital, totalled \$4.6 million in the current period compared to \$1.9 million in the prior period. The increase of \$2.7 million over the prior period was due to increased sustaining capital expenditures of \$1.3 million, higher growth capital expenditures of \$1.0 million, and reduced disposal proceeds of \$0.4 million.

Gross sustaining capital purchases of \$2.9 million were made up primarily of replacement tractors accounting for approximately 75 percent of the total, with the balance applicable to a BPL facility upgrade and to other operating assets. Net sustaining capital expenditures were \$1.7 million higher than in the prior period due to higher tractor purchases. Proceeds on the disposal of capital assets were \$0.4 million less than that recorded in the prior period.

Growth capital expenditures of \$1.8 million in the current period consisted of trailer purchases of approximately 75 percent with the remainder being used for other operating assets. These trailer purchases consisted predominantly of chemical and edible trailers to support future business in these product lines. Growth capital purchases are funded from undistributed cash from operations, cash available from notional distributions on non-cash exchangeable shares and, to the extent required, available cash and existing lines of credit.

For the current year, net capital expenditures totalled \$10.4 million compared to \$10.5 million for the prior year. The \$0.1 million decrease in net capital expenditures from the prior year was made up of a \$1.2 million reduction in sustaining capital. This was partially offset by a \$0.1 million increase in growth capital and a \$1.0 million reduction in disposal proceeds. Sustaining capital purchases decreased when compared to the prior year due to a reduction in trailer purchases which reflect the lower equipment utilization experienced in the current year.

Net annual capital expenditures relating to sustaining capital requirements will vary from year to year based on: the economic life of the capital assets; historical purchase dates; the mix of life cycles expiring in a given year; other factors affecting equipment cost; disposal proceeds of replaced assets; and, annual equipment utilization. Sustaining capital purchases are funded from the Partnership's net cash provided by operations in the year, cash available from notional distributions on non-cash exchangeable shares and, thereafter, to the extent required, available credit facilities.

FOR FURTHER INFORMATION PLEASE CONTACT:

Jeffrey J. McCaig
Chairman & Chief Executive Officer
Trimac Transportation Services Inc.

Edward V. Malysa
Executive Vice President &
Chief Operating Officer
Trimac Transportation Services Inc.

Telephone: 403-298-5100
Facsimile: 403-298-5258

Telephone: 403-298-5100
Facsimile: 403-298-5146

Investor Relations: investors@trimac.com

You are invited to join us on a conference call at 4:00 p.m. Eastern Time on Friday, November 13, 2009. For North American participants, please dial 1-888-300-0053 or for international participants, please dial ++1-647-427-3420 at least 10 minutes prior to the start time of the call.

A playback of the call will be available starting at 7:00 p.m. Eastern Time on Friday, November 13, 2009 until midnight November 20, 2009. To hear the playback dial 1-800-642-1687 or for international participants, please dial ++1-706-645-9291 and give the conference ID number: 38982699.

MANAGEMENT'S DISCUSSION AND ANALYSIS PERIOD ENDED SEPTEMBER 30, 2009

This management's discussion and analysis (MD&A) is intended to assist in the understanding and assessment of the trends and significant changes in the results of operations and financial condition of Trimac Transportation Services Limited Partnership (the "Partnership" or "Trimac") and Trimac Income Fund (the "Fund").

This MD&A should be read in conjunction with the Fund and the Partnership's consolidated financial statements and accompanying notes thereto for the three month period ended September 30, 2009 and other public disclosure documents of the Fund that can be found on SEDAR at www.sedar.com. The consolidated financial statements and the accompanying notes of the Partnership and the Fund were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) and are expressed in Canadian dollars.

This discussion contains certain forward-looking statements. Please see "Forward-Looking Statements" for a discussion of the risks, uncertainties and assumptions relating to these statements. In addition, this discussion makes reference to certain measures that are not defined by GAAP, such as EBITDA, to assist in assessing the Partnership's financial performance. The non-GAAP measures, may not be comparable to similar measures presented by other issuers.

The Partnership provides bulk-trucking services throughout Canada and complementary logistics services in Canada and the United States. In this MD&A, the use of "we", "us", "our" or "Trimac" means the Partnership and its subsidiaries.

The Fund

The Fund is an unincorporated open-ended trust established under the laws of the Province of Alberta pursuant to the Declaration of Trust dated January 7, 2005 as amended and restated by the Amended and Restated Declaration of Trust dated February 17, 2005. The Fund has been created to invest, through TIF Commercial Trust (the "Trust"), a wholly-owned trust of the Fund, in the Partnership's bulk trucking and logistics businesses, through the acquisition of a non-controlling interest in the Partnership and in shares of Trimac Transportation Services Inc. (TTSI), the general partner of the Partnership.

The Fund commenced operations on February 25, 2005 through the completion of an \$86.0 million initial public offering (IPO). On March 9, 2005, the underwriters of the offering exercised their over-allotment option by subscribing for additional units for gross proceeds of \$4.3 million.

The Partnership

Trimac is Canada's largest bulk trucking services provider, with operations from coast to coast. Trimac is engaged in transporting a diverse range of products for a large, well-established customer base. Products transported by Trimac include chemicals, petroleum, cement, edible dry and liquid products, asphalt, compressed gases, woodchips and other wood residual products. Trimac also provides complementary logistics services through its subsidiary Bulk Plus Logistics (BPL), including distribution management, freight brokerage services and transloading facility operations. Headquartered in Calgary, Alberta, the Partnership provides Canadian domestic and international cross-border bulk trucking services. BPL operates its logistics business across Canada and in the United States.

The trucking business is managed through two divisions (western and eastern) that are primarily geographic in composition. BPL's business includes North American logistics services in related product lines as noted above. BPL is managed and reported as a separate division.

Internal Control and Procedures

The CEO and the CFO are responsible for designing disclosure controls and procedures and internal control over financial reporting as defined in National Instrument 52 -109, or causing them to be designed under their supervision. Due to their inherent limitations, disclosure controls and procedures and internal control over financial reporting may not prevent or detect misstatements, errors or fraud. Control systems, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control systems are met.

Disclosure Control and Procedures

Disclosure controls and procedures for the Fund and the Partnership have been designed to provide reasonable assurance that information required to be disclosed in the Fund's annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by the Fund in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to management of the Fund and the Partnership, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. As of September 30, 2009, an evaluation of the design of the Fund's disclosure controls and procedures has been conducted by management, under the supervision of the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that Fund's disclosure controls and procedures are effective.

Internal Control over Financial Reporting

Internal control over financial reporting has been designed, based on the framework established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, to provide reasonable assurance regarding the reliability of the Fund's financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP.

Management, under the supervision of the CEO and CFO, has evaluated the design effectiveness of the Fund's internal control over financial reporting using the framework described above. Based on this evaluation, the CEO and CFO have concluded that the design of internal controls over financial reporting was effective as of September 30, 2009.

Changes in Internal Control

There have been no changes in internal controls during the period beginning July 1, 2009 and ended on September 30, 2009 that have materially affected, or are reasonably likely to materially affect, Trimac's internal control over financial reporting.

Financial and Operating Information

The Fund

(millions of dollars except unit amounts and number of units)	Three months ended		Nine months ended	
	September 30		September 30	
	2009	2008	2009	2008
Share of income (loss) of Trimac Transportation Services Limited Partnership	0.6	2.4	(0.1)	3.1
Interest income	0.7	0.7	2.1	2.1
Administrative costs	(0.2)	(0.2)	(0.6)	(0.7)
Net earnings	1.1	2.9	1.4	4.5
Other comprehensive loss - share of Partnership other comprehensive loss	(0.1)	-	(0.1)	-
Comprehensive income	1.0	2.9	1.3	4.5
Opening unitholders' equity	100.1	104.2	102.9	108.1
Issue of additional units	-	-	-	0.3
Distributions	(1.5)	(2.9)	(4.6)	(8.7)
Closing unitholders' equity	99.6	104.2	99.6	104.2
Basic earnings per unit	\$ 0.0887	\$ 0.2305	\$ 0.1168	\$ 0.3602
Fully diluted earnings per unit	\$ 0.0887	\$ 0.2305	\$ 0.1162	\$ 0.3602
Weighted average number of units outstanding used in computing basic earnings per unit	12,584,679	12,571,134	12,584,679	12,571,134
Number of units outstanding used in computing diluted earnings per unit	25,734,152	24,530,426	25,734,152	24,530,426

The Fund commenced operations on February 25, 2005 and earnings of the Fund's investment in Trimac have been accounted for using the equity method of accounting from commencement. Under this method, the Fund's share of earnings of Trimac, adjusted for the amortization of certain tangible and intangible assets arising from the use of purchase accounting, is reflected in the statement of earnings of the Fund as "Share of income (loss) of Trimac Transportation Services Limited Partnership". The results of operations of the Fund are entirely dependent on the performance of the Partnership. The above selected financial and unit information has been derived from, and should be read in conjunction with, the consolidated financial statements of the Fund.

The Fund's net earnings for the three-month period ended September 30, 2009 (the "current period") decreased by \$1.8 million from the \$2.9 million of earnings that was recorded in the three-month period ended September 30, 2008 (the "prior period") as a result of decreased Partnership earnings.

The Fund recorded earnings of \$0.6 million from the Partnership during the current period, a decrease of \$1.8 million from the prior period. The Fund's share of the Partnership's earnings, as defined in the Partnership Agreement, before amortization of excess purchase price allocation, was \$1.1 million, a decrease of \$1.8 million from the \$2.9 million of earnings recorded in the prior period. During the current period, the Fund deducted \$0.5 million in excess purchase price amortization from its share of the Partnership's income, the same amount as was recorded in the prior period.

In addition to its Partnership earnings, the Fund received interest income of \$0.7 million in the current period, the same amount as in the prior period, on a \$35.4 million (December 31, 2008 - \$35.4 million) note receivable from TTSI, the Partnership's managing general partner. The interest payment was funded through distributions from the Partnership to TTSI. Administrative costs were \$0.2 million during the current period, the same as in the prior period. Unitholders' distributions for the current period were \$1.5 million, a decrease of \$1.4 million from the prior period as a result of the reduction in the monthly payment from \$0.0771 to \$0.04 per unit. Distributions were funded by the interest income referred to above and through distributions received from the Partnership of \$1.0 million (2008 - \$2.4 million). The distributions received by the Fund were recorded as a reduction to the Fund's investment in the Partnership.

The Fund's net earnings for the nine-month period ended September 30, 2009 (the "current year") decreased by \$3.1 million from that recorded in the nine-month period ended September 30, 2008 (the "prior year") to \$1.4 million. Decreased Partnership earnings of \$3.2 million were partially offset by a reduction of \$0.1 million in administration costs.

The Partnership

Financial Highlights

(millions of dollars)	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
Revenues				
Transportation revenue	62.9	71.6	181.9	206.9
Fuel surcharges	4.7	17.2	13.1	41.7
	67.6	88.8	195.0	248.6
Direct costs				
Selling and administrative	48.6	62.9	141.9	183.0
	9.9	11.5	31.3	34.8
EBITDA ⁽¹⁾				
Depreciation net of gains on disposal of capital assets	9.1	14.4	21.8	30.8
	5.2	5.3	15.2	15.7
Operating earnings				
Interest expense (net)	3.9	9.1	6.6	15.1
	0.9	1.2	2.9	3.7
Earnings before taxes				
Income tax (recovery) expense	3.0	7.9	3.7	11.4
	(0.8)	0.3	(0.5)	0.6
Net earnings				
	3.8	7.6	4.2	10.8
As a percentage of revenue ⁽²⁾				
Direct costs	71.9%	70.8%	72.8%	73.6%
Selling and administrative	14.6%	13.0%	16.1%	14.0%
EBITDA ⁽¹⁾	13.5%	16.2%	11.2%	12.4%
Depreciation	7.7%	6.0%	7.8%	6.3%
Operating earnings	5.8%	10.2%	3.4%	6.1%
As at				
(millions of dollars)	September 30,	December 31,		
	2009	2008		
Total assets	141.3	152.7		
Total long-term liabilities	44.7	47.2		

The above selected financial and operating information has been derived from, and should be read in conjunction with, the unaudited interim consolidated financial statements of the Partnership.

- (1) EBITDA (earnings before interest, taxes, depreciation and amortization) is not a recognized measure under GAAP, does not have a standardized meaning prescribed by GAAP and, therefore, may not be comparable to similar measures presented by other issuers. Management believes that EBITDA is a useful complementary measure of cash available for distribution before debt servicing expense, capital expenditures and income taxes.
- (2) Direct costs, selling and administrative, and depreciation, expressed as a percentage of revenue, were impacted by significant fluctuations in fuel surcharge revenue between the prior and current period and the prior and current year. For additional commentary regarding these expenses please see page 8 and 9 of this Management's Discussion and Analysis for the nine-month period ended September 30, 2009.

Distributable Cash

The table below illustrates distributable cash to unitholders beginning with net cash provided by the Partnership's operations.

(millions of dollars except unit amounts, certain percentages and number of units)	Three months ended		Nine months ended	
	September 30		September 30	
	2009	2008	2009	2008
Net cash provided by operations	8.5	11.3	22.0	24.8
Net change in non-cash working capital ⁽¹⁾	(0.4)	1.4	(3.3)	1.3
Cash provided by operations	8.1	12.7	18.7	26.1
Less adjustments for:				
Net sustaining capital expenditures (net of proceeds) ⁽²⁾⁽³⁾	(2.8)	(1.1)	(4.7)	(4.9)
Provision for long-term unfunded contractual operational obligations ⁽⁴⁾	(0.3)	0.2	(0.5)	0.3
Total estimated cash available for distribution (before public expenses)	5.0	11.8	13.5	21.5
Percentage of available cash distributable to unitholders ⁽⁵⁾	49%	51%	49%	51%
Cash available for distribution to unitholders (before public expenses)	2.4	6.0	6.6	11.0
Public expenses ⁽⁶⁾	(0.2)	(0.2)	(0.6)	(0.7)
Distributable cash from operations ⁽²⁾⁽⁷⁾	2.2	5.8	6.0	10.3
Distributions declared and payable	1.5	2.9	4.6	8.7
Distributable cash per unit ⁽²⁾⁽⁷⁾	0.1758	0.4582	0.4769	0.8208
Distributions declared per unit ⁽⁹⁾	0.1200	0.2313	0.3600	0.6939
Payout ratio ⁽²⁾⁽⁷⁾	68.3%	50.5%	75.5%	84.5%
Weighted average number of units outstanding	12,584,679	12,571,134	12,584,679	12,571,134
Net capital expenditures				
Sustaining capital expenditures ⁽²⁾	2.9	1.6	6.1	7.3
Proceeds on disposal of replaced assets	(0.1)	(0.5)	(1.4)	(2.4)
Net sustaining capital expenditures ⁽²⁾⁽³⁾	2.8	1.1	4.7	4.9
Growth capital expenditures ⁽²⁾⁽⁸⁾	1.8	0.8	5.7	5.6
	4.6	1.9	10.4	10.5

- (1) Changes in non-cash operating assets and liabilities are not included in the calculation of distributable cash. Working capital investments are funded through a combination of cash flow not distributed and the use of credit facilities available to the Partnership.
- (2) Distributable cash from operations, sustaining capital expenditures, net sustaining capital expenditures, payout ratio, and growth capital expenditures are not measures recognized by GAAP, do not have standardized meanings prescribed by GAAP and may not be comparable to similarly named measures presented by other issuers.
- (3) Net sustaining capital expenditures refers to capital expenditures, net of proceeds on disposal of assets replaced, which are necessary to sustain current revenue levels. See "Liquidity and Capital Resources – Capital Expenditures".
- (4) Represents a provision for cash requirements relating to a long-term incentive plan and an executive pension liability.
- (5) Percentage is equal to weighted average number of units outstanding of 12,584,679 divided by fully diluted units of 25,734,152.
- (6) Represents expenses associated with the Fund's status as a reporting issuer.
- (7) Distributable cash available will fluctuate on a monthly basis due to seasonal cash flows, sustaining capital expenditures incurred, income taxes paid and interest costs on outstanding debt.
- (8) Cash used to fund growth capital expenditures does not affect distributable cash to unitholders where financing is available for these purposes. The Partnership funds growth capital from undistributed cash from operations, cash available from distributions on non-cash exchangeable shares and, to the extent available, existing lines of credit.
- (9) Effective January 2009, the monthly distribution per unit was reduced from \$0.0771 to \$0.04.

During the current period the Partnership's cash provided by operations decreased by \$4.6 million, net sustaining capital expenditures increased by \$1.7 million and the provision for long-term unfunded executive compensation plans increased by \$0.5 million. The Fund's distributable cash from operations was \$2.2 million in the current period, less than that recorded in the prior period by \$3.6 million, as a result of its share of the aforementioned Partnership changes in cash provided by operations, provisions for executive compensation plans and sustaining capital. During the current year distributable cash from operations was \$6.0 million, a \$4.3 million decrease compared to the prior year. The decrease was due to

decreased cash provided by operations and an increase in the provision for unfunded executive compensation plans, partially offset by a slightly reduced level of net sustaining capital expenditures.

Distributions in the current period were paid using cash generated from operations including cash retained in the business relating to non-cash exchangeable shares. Due to the seasonal nature of the Partnership's business and the timing of sustaining capital purchases, the amount of distributable cash may vary from quarter to quarter. Trimac's Board of Directors approves the level of monthly distributions based upon estimated cash flow on an annual basis, less estimated cash required for debt service, cash taxes, other amounts (including sustaining capital expenditures, working capital and provisions) to stabilize the monthly amount of distributions to unitholders as may be considered appropriate by the Board of Directors. Growth capital expenditures are funded from undistributed cash from operations, cash available from notional distributions on non-cash exchangeable shares, and, to the extent available, cash and existing lines of credit.

Distributable cash from operations is not a defined term under GAAP but is determined by the Partnership as net cash provided by operations for the period, adjusted to remove specific non-cash items, including changes in working capital, and reduced by sustaining capital expenditures, provisions for funding long-term liabilities, provisions for committed capital purchases in progress and public costs.

Management believes that distributable cash from operations is a useful supplemental measure of performance as it provides investors with an indication of the amount of cash available for distribution to unitholders. Investors are cautioned, however, that distributable cash from operations should not be construed as an alternative to using net income as a measure of profitability or as an alternative to the statement of cash flows. In addition, the Fund's method of calculating distributable cash from operations may not be comparable to calculations used by other issuers.

The Partnership's results are discussed below.

September 30, 2009 compared to September 30, 2008 for the Partnership

Operating results

Revenue – Q3

Three months ended September 30										
(millions of dollars)	2009			2008			Gross Revenue		Net Revenue	
	Total Revenue	Fuel Surcharges	Transportation Revenue	Total Revenue	Fuel Surcharges	Transportation Revenue	Variance	%	Variance	%
Bulk trucking										
Western division	39.5	2.7	36.8	55.2	11.6	43.6	(15.7)	-28.4%	(6.8)	-15.6%
Eastern division	25.0	2.0	23.0	29.9	5.6	24.3	(4.9)	-16.4%	(1.3)	-5.3%
Total bulk trucking	64.5	4.7	59.8	85.1	17.2	67.9	(20.6)	-24.2%	(8.1)	-11.9%
Bulk Plus Logistics	3.1	-	3.1	3.7	-	3.7	(0.6)	-16.2%	(0.6)	-16.2%
Total revenue	67.6	4.7	62.9	88.8	17.2	71.6	(21.2)	-23.9%	(8.7)	-12.2%

For the current period, total revenue decreased by \$21.2 million or 23.9 percent from the prior period. Fuel surcharges as a percentage of bulk trucking revenue totalled approximately 7.5 percent in comparison to 24.0 percent in the prior period, resulting in a decrease of \$12.5 million. Trimac has fuel surcharge programs in place with substantially all of its customers. Revenue net of fuel surcharges

decreased by \$8.7 million or 12.2 percent from the prior period primarily due to business losses, price erosion, and lower volumes with existing customers.

The western division's revenue decreased by \$15.7 million or 28.4 percent. Fuel surcharge revenue was \$8.9 million lower than the prior period. Revenue net of fuel surcharges decreased by \$6.8 million or 15.6 percent compared to the prior period. Incremental revenue of \$1.9 million from the December 5, 2008 acquisition of Canamera Carriers Inc. (Canamera) was offset by net business losses and reduced volumes with existing customers. This reduction in volumes impacted the majority of the western division's product lines and was due to continued recessionary conditions in the economy.

The eastern division's revenue decreased by \$4.9 million or 16.4 percent. Fuel surcharge revenue was \$3.6 million lower than the prior period. Revenue net of fuel surcharges decreased by \$1.3 million or 5.3 percent compared to the prior period. This decrease was predominantly due to reduced volumes with existing customers and net business losses. Decreased volumes were primarily the result of continued economic weakness in central Canada and occurred predominantly in the petroleum and chemical product lines.

For the current period, Bulk Plus Logistics' (BPL) revenue decreased by \$0.6 million or 16.2 percent. This decrease was primarily due to lower freight brokerage volumes in Canada and the U.S., in addition to decreased revenue generated by the Canadian and U.S. consulting operations.

Revenue – YTD Q3

Nine months ended September 30										
(millions of dollars)	2009			2008			Gross Revenue		Net Revenue	
	Total Revenue	Fuel Surcharges	Transportation Revenue	Total Revenue	Fuel Surcharges	Transportation Revenue	Variance	%	Variance	%
Bulk trucking										
Western division	112.4	7.7	104.7	149.9	27.3	122.6	(37.5)	-25.0%	(17.9)	-14.6%
Eastern division	73.1	5.4	67.7	86.5	14.4	72.1	(13.4)	-15.5%	(4.4)	-6.1%
Total bulk trucking	185.5	13.1	172.4	236.4	41.7	194.7	(50.9)	-21.5%	(22.3)	-11.5%
Bulk Plus Logistics	9.5	-	9.5	12.2	-	12.2	(2.7)	-22.1%	(2.7)	-22.1%
Total revenue	195.0	13.1	181.9	248.6	41.7	206.9	(53.6)	-21.6%	(25.0)	-12.1%

For the current year, total revenue decreased by \$53.6 million or 21.6 percent from the prior year. Fuel surcharges as a percentage of bulk trucking revenue totalled approximately 7.2 percent in comparison to 20.2 percent in the prior year, resulting in a decrease of \$28.6 million as a result of lower fuel prices. Revenue net of fuel surcharges decreased by \$25.0 million or 12.1 percent from the prior year primarily as a result of business losses, price erosion, and lower volumes with existing customers.

The western division's revenue decreased by \$37.5 million or 25.0 percent. Fuel surcharge revenue was \$19.6 million lower than the prior year. Revenue net of fuel surcharges decreased by \$17.9 million or 14.6 percent compared to the prior year. Incremental revenue of \$4.9 million from the December 5, 2008 acquisition of Canamera Carriers Inc. (Canamera) and increased revenue in the edible product line was more than offset by net business losses and reduced volumes with existing customers. This reduction in volumes was primarily due to the economic recession.

The eastern division's revenue decreased by \$13.4 million or 15.5 percent. Fuel surcharge revenue was \$9.0 million lower than the prior year. Revenue net of fuel surcharges decreased by \$4.4 million or 6.1 percent compared to the prior year. Increased revenue from the industrial gas and edible product lines were offset by net business losses and decreased volumes with existing customers. These decreased

volumes were primarily the result of continued economic weakness in central Canada, predominantly in the petroleum and chemical product lines.

For the current year, Bulk Plus Logistics' (BPL) revenue decreased by \$2.7 million or 22.1 percent. This decrease was primarily due to the exiting of a transload management contract in May 2008 and decreased freight brokerage volumes in Canada and the U.S.

Direct costs- Q3

Three months ended September 30						
(millions of dollars)	2009	% Rev.	2008	% Rev.	Variance	% Rev. change
Bulk trucking						
Western division	27.7	70.1%	38.4	69.6%	(10.7)	0.6%
Eastern division	19.0	76.0%	22.9	76.6%	(3.9)	-0.6%
Total bulk trucking	46.7	72.4%	61.3	72.0%	(14.6)	0.4%
Bulk Plus Logistics	1.9	61.3%	1.7	45.9%	0.2	15.3%
Other	-		(0.1)		0.1	
Total direct costs	48.6	71.9%	62.9	70.8%	(14.3)	1.1%

During the current period, total direct costs decreased by \$14.3 million from the prior period, however expressed as a percentage of revenue, direct costs were 1.1 percent higher as compared to the prior period.

Direct costs in the western division decreased by \$10.7 million over the prior period however, expressed as a percentage of revenue, expenses increased by 0.6 percent. In dollars, direct costs decreased due to lower fuel costs and various cost reduction programs implemented to reflect lower volumes. Expressed as a percentage, increased direct costs were primarily due to the use of subcontractors to complete a short-term campaign movement in the current period and increased repair costs.

The eastern division's direct costs decreased by \$3.9 million over the prior period and, expressed as a percentage of revenue, expenses decreased by 0.6 percent. Direct costs decreased in dollars and as a percentage of revenue primarily due to reduced fuel costs and various cost reduction programs implemented to reflect lower volumes.

BPL's direct costs increased by \$0.2 million in the current period, and expressed as a percentage of revenue increased by 15.3 percent from the prior period. This increase in direct costs was primarily due to a rate reduction and increased volumes on a consulting contract, compared to the prior period.

Direct costs- YTD Q3

Nine months ended September 30						
(millions of dollars)	2009	% Rev.	2008	% Rev.	Variance	% Rev. change
Bulk trucking						
Western division	80.5	71.6%	109.0	72.7%	(28.5)	-1.1%
Eastern division	56.3	77.0%	67.7	78.3%	(11.4)	-1.2%
Total bulk trucking	136.8	73.7%	176.7	74.7%	(39.9)	-1.0%
Bulk Plus Logistics	5.2	54.7%	6.4	52.5%	(1.2)	2.3%
Other	(0.1)		(0.1)		-	
Total direct costs	141.9	72.8%	183.0	73.6%	(41.1)	-0.8%

During the current year, total direct costs decreased by \$41.1 million as compared to the prior year, and expressed as a percentage of revenue, direct costs were 0.8 percent lower than the prior year.

Direct costs in the western division have decreased by \$28.5 million over the prior year and, expressed as a percentage of revenue, expenses have decreased by 1.1 percent. Despite increased accident claims and repair costs, direct costs decreased as a percentage of revenue primarily due to lower fuel costs and various cost reduction programs to reflect lower volumes.

The eastern division's direct costs in the current year decreased by \$11.4 million over the prior year and, expressed as a percentage of revenue, expenses have decreased by 1.2 percent. Although repair costs increased, direct costs decreased as a percentage of revenue primarily due to lower fuel costs and various cost reduction programs to reflect lower volumes.

BPL's direct costs decreased by \$1.2 million in the current year however, expressed as a percentage of revenue, increased by 2.3 percent as compared to the prior year. This increase, as a percent of revenue, was primarily due to a rate reduction on a consulting contract in the current period.

Selling and administrative – Q3

Three months ended September 30							
(millions of dollars)	2009	% Rev.	2008	% Rev.	Variance	%	% Rev. change
Total selling and admin.	9.9	14.6%	11.5	13.0%	(1.6)	-13.9%	1.6%

Selling and administrative costs decreased by \$1.6 million or 13.9 percent from the prior period. This decrease was primarily due to a reduction in administrative staff undertaken to reflect current business volumes and lower consulting expense.

Selling and administrative – YTD Q3

Nine months ended September 30							
(millions of dollars)	2009	% Rev.	2008	% Rev.	Variance	%	% Rev. change
Total selling and admin.	31.3	16.1%	34.8	14.0%	(3.5)	-10.1%	2.1%

Selling and administrative costs for the current year decreased by \$3.5 million or 10.1 percent from the prior year. This decrease was primarily due to a reduction in administrative staff undertaken to reflect current business volumes and lower consulting expense. Mitigating this decrease was one-time restructuring costs of \$0.3 million that were incurred in the second quarter of 2009.

Depreciation and amortization, net of gains on disposals of capital assets – Q3

Three months ended September 30							
(millions of dollars)	2009	% Rev.	2008	% Rev.	Variance	%	% Rev. change
Depreciation and amortization	5.2	7.7%	5.5	6.2%	(0.3)	-5.5%	1.5%
Gain on sale of assets (net)	-	0.0%	(0.2)	-0.2%	0.2		0.2%
Depreciation net of gains on disposal	5.2	7.7%	5.3	6.0%	(0.1)	-1.9%	1.7%

For the current period, depreciation and amortization net of gains on disposal was \$5.2 million, a \$0.1 million decrease over the prior period. Depreciation and amortization expense decreased by \$0.3 million

in the current period, but was partially offset by a \$0.2 million decrease on gains on asset disposals. The depreciation and amortization reduction was predominately due to a reduction in tractor and trailer depreciation, mitigated by increased amortization related to the Canamera acquisition completed in the fourth quarter of 2008. This reduction in tractor and trailer depreciation was primarily due to lower tractor and trailer purchases in the first six months of 2009 compared to the prior year.

Depreciation and amortization, net of gains on disposals of capital assets – YTD Q3

Nine months ended September 30							
(millions of dollars)	2009	% Rev.	2008	% Rev.	Variance	%	% Rev. change
Depreciation and amortization	15.5	7.9%	16.4	6.6%	(0.9)	-5.5%	1.3%
Gain on sale of assets (net)	(0.3)	-0.2%	(0.7)	-0.3%	0.4		0.1%
Depreciation net of gains on disposal	15.2	7.8%	15.7	6.3%	(0.5)	-3.2%	1.5%

For the current year, depreciation and amortization net of gains on disposal was \$0.5 million less than the \$15.7 million recorded in the prior year. Depreciation and amortization expense decreased by \$0.9 million in the current year partially offset by a \$0.4 million decrease from gains on asset disposals. The depreciation and amortization decrease was predominately due to a reduction in tractor and trailer depreciation, mitigated by increased amortization related to the Canamera acquisition completed in the fourth quarter of 2008. This reduction in tractor and trailer depreciation was primarily due to lower tractor and trailer purchases in the first half of the current year compared to the same period in the prior year.

Interest expense (net)

The Partnership's net interest expense was \$0.9 million in the current period, a decrease of \$0.3 million over the prior period. Total average debt outstanding is approximately \$4 million less in the current period than in the prior period. In addition, \$18.7 million of the Partnership's fixed-rate senior note was repaid during the third quarter of 2008 and 2009. The payments were financed with floating interest rate debt using the Partnership's revolving credit line. The floating rate debt carries a lower interest rate than the fixed rate on the senior note. For the current year, interest expense is \$0.8 million lower than the prior year due primarily to an approximate \$3 million reduction in total average debt outstanding and a reduction in effective interest rates.

Income tax expense

The Partnership recorded an income tax recovery of \$0.8 million in the current period and \$0.5 million in the current year compared to a provision of \$0.3 million in the prior period and \$0.6 million in the prior year. The recovery in the current period was due to a corporate reorganization whereby certain temporary differences and the corresponding future tax liability of a corporate subsidiary were transferred to the Partnership. The Partnership is not required to record tax expense on Partnership income or future tax on temporary differences as it is a non-taxable entity and taxable income is allocated to its Partners and the resulting tax is paid directly by them. As a result, a future tax recovery of \$0.8 million on the transfer was recorded by the corporate subsidiary. The recovery was partially offset by a net tax expense of subsidiaries that are taxable corporations. The decrease in the provision, exclusive of the aforementioned recovery, as compared to the prior period is due to a decrease in earnings of certain taxable subsidiaries.

Net earnings – Q3

Three months ended September 30							
(millions of dollars)	2009	% Rev.	2008	% Rev.	Variance	%	% Rev. change
Net earnings	3.8	5.6%	7.6	8.6%	(3.8)	-50.0%	-3.0%

The current period's net earnings decreased by \$3.8 million from that recorded in the prior period. Lower net earnings resulted from a \$5.3 million decrease in operating earnings before depreciation and amortization net of gains on disposal of capital assets partially offset by a \$0.1 million decrease in depreciation and amortization net of gains on disposal of capital assets, a \$0.3 million decrease in interest expense and a \$1.1 million decrease in income tax expense.

Net earnings – YTD Q3

Nine months ended September 30							
(millions of dollars)	2009	% Rev.	2008	% Rev.	Variance	%	% Rev. change
Net earnings	4.2	2.2%	10.8	4.3%	(6.6)	-61.1%	-2.1%

The current year's net earnings decreased by \$6.6 million from that recorded in the prior year. Lower net earnings resulted from a \$9.0 million decrease in operating earnings before depreciation and amortization net of gains on disposal of capital assets partially offset by a \$0.5 million decrease in depreciation and amortization net of gains on disposal of capital assets, a \$0.8 million decrease in interest expense and a \$1.1 million reduction in income tax expense.

Results by quarter (Partnership)

(millions of dollars except percentage of revenue)

	Q3 09	Q2 09	Q1 09	Q4 08	Q3 08	Q2 08	Q1 08	Q4 07
Revenue - transportation	62.9	59.6	59.4	66.8	71.6	68.7	66.6	70.1
- fuel surcharges	4.7	3.7	4.7	11.3	17.2	14.3	10.2	9.2
Total revenue	67.6	63.3	64.1	78.1	88.8	83.0	76.8	79.3
Operating earnings	3.9	2.2	0.5	4.4	9.1	4.1	1.9	3.6
Percentage of transportation revenue	6.2%	3.7%	0.8%	6.6%	12.7%	6.0%	2.9%	5.1%
Earnings (loss) before taxes	3.0	1.2	(0.5)	3.2	7.9	2.8	0.7	2.5
Net earnings (loss)	3.8	1.1	(0.7)	3.0	7.6	2.6	0.6	2.2

Fluctuations in revenue and net earnings by quarter illustrate the seasonality of Trimac's business. Revenue and net earnings in the first quarter and, to a lesser extent, in the fourth quarter, are generally lower than in the second and third quarters due to lower construction-related volume, colder weather, higher costs and lower operating efficiencies in colder weather. The second and third quarters have historically been the highest-volume and most profitable quarters for Trimac, due primarily to construction-related products and increased economic activity from industries using raw materials that Trimac hauls, generating a greater number of loads hauled and increased utilization of its equipment at lower operating costs. Variations in fuel surcharges have had a significant impact on revenue as a result of fuel price increases experienced in 2007 and 2008 which have been followed by price decreases in 2009.

Liquidity and Capital Resources

Distributions

The Fund's monthly distributions, declared payable on or about the fifteenth day of each month to unitholders of record on the last day of each previous month, totalled \$1.5 million or \$0.12 per unit for the current period as compared to \$2.9 million or \$0.2313 per unit in the prior period. The current monthly distribution of \$0.04 per unit represents cash distributions of \$0.48 per unit annually as compared to

\$0.9252 for 2008. Effective with the January 2009 distribution, paid in February, the monthly distribution was reduced to \$0.04 per unit from the \$0.0771 per unit paid in the previous year.

The Partnership made monthly cash distributions in respect of the current period, to the limited and general partners. The distributions by the Partnership were used in part for unitholder distributions totalling \$0.36 per unit to September 30, 2009, and to fund dividends on TTSI exchangeable shares outstanding that receive monthly cash dividends. The dividends on TTSI exchangeable shares were made up of monthly payments totalling \$0.36 per share plus a monthly Equalization Amount⁽¹⁾ totalling \$0.10728 per share to September 30, 2009.

⁽¹⁾ *Equalization Amount is one-twelfth of the product obtained by multiplying (i) the quotient obtained by dividing the annual public expenses of the Fund by the number of units issued and outstanding, by (ii) the quotient obtained by dividing the number of units issuable on exchange of the TTSI Exchangeable Shares issued and outstanding by the number of units issuable on exchange of TTSI Exchangeable Shares issued and outstanding on which cash dividends are intended to be paid.*

Outstanding Securities Data

As at October 15, 2009, the Fund had the following number of securities outstanding or reserved for issuance:

Units	12,584,679
Units reserved ⁽¹⁾	<u>13,149,473</u>
Fully diluted units	<u>25,734,152</u>

There are 6,491,065 units reserved relating to Exchangeable Shares that receive monthly cash dividends (“cash exchangeable”) that flow from distributions from the Partnership and 6,658,408 units reserved relating to Exchangeable Shares that do not receive monthly cash dividends but have a monthly increase in their exchange ratio in lieu of such cash dividends (“ratchet exchangeable”).

There are 13,149,473 Exchangeable Security Voting Rights entitling the holders of Exchangeable Shares of TTSI to one vote per right at meetings of holders of units of the Fund.

Distributions by the Fund are entirely dependent on the performance of the Partnership and its ability to make distributions to the Fund.

⁽¹⁾ *Reserved for issuance pursuant to Exchangeable Shares of TTSI, which are exchangeable for units of the Fund.*

Sources and uses of cash

Trimac maintains a revolving credit facility of up to \$60 million. The Partnership uses the facility to manage capital expenditures and working capital requirements throughout the year. The following table provides an overview of Trimac’s cash flows for the periods indicated.

Summary of cash flows

(millions of dollars)	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
Cash provided by operations	8.1	12.7	18.7	26.1
Net change in non-cash working capital	0.4	(1.4)	3.3	(1.3)
Investment activities	(4.8)	(2.0)	(10.9)	(11.0)
Financing activities	(5.5)	(7.6)	(10.8)	(11.7)
(Decrease) increase in cash	<u>(1.8)</u>	<u>1.7</u>	<u>0.3</u>	<u>2.1</u>

Operating activities

Cash provided by operations decreased by \$4.6 million in the current period from the prior period. The decrease was due to a \$5.3 million decrease in operating earnings before depreciation and gains on disposal of capital assets partially offset by a \$0.3 million decrease in interest expense, an increase of \$0.2 million in other non-cash expenses and a \$0.2 million reduction in current tax expense. The current year's cash provided by operations decreased by \$7.4 million compared to the prior year. The reduction was due to a \$9.0 million decrease in operating earnings before depreciation and gains on disposal of capital assets, partially offset by a \$0.5 million increase in miscellaneous non-cash expenses, a \$0.8 million decrease in interest expense and a \$0.3 reduction in current tax expense.

Net change in non-cash working capital

(millions of dollars)	Three months ended		Nine months ended	
	September 30		September 30	
	2009	2008	2009	2008
Accounts receivable	(0.7)	1.4	2.4	(5.3)
Materials and supplies	0.1	0.2	0.3	0.2
Prepaid expenses	0.9	1.5	1.1	0.7
Accounts payable and accrued liabilities	1.1	(2.6)	(1.1)	4.2
Income taxes payable	0.1	0.2	(0.6)	0.3
Due from/to related parties	(1.1)	(2.1)	1.2	(1.4)
	0.4	(1.4)	3.3	(1.3)

Accounts receivable decreased by \$2.4 million from December 31, 2008 to September 30, 2009. The decrease was due to lower revenues, primarily as a result of reduced fuel surcharges, in September 2009 as compared to December 2008 and more collections of past due accounts during the current year. Accounts greater than 30 days have declined by over 25 percent in September 2009 as compared to December 2008. Prepaid expenses decreased by \$1.1 million from December 2008 to September 2009 primarily due to the amortization of insurance premiums (policy year is November 1 to October 31) and reduced expenditures on certain items. The \$1.1 million decrease in accounts payable and accrued liabilities at September 2009 was as a result of timing differences on the payment of invoices and the settlement of various insurance claims during the current year. This was partially offset by an increase in payroll payables due to timing differences in pay periods. Income taxes payable decreased by \$0.6 million as a result of the payment of estimated 2008 income tax liabilities. The net amount owing from related parties was \$1.2 million lower at September 2009 than at December 2008. The primary reason for the net decrease in the receivable was the receipt of funds during the first quarter of 2009 advanced to an associated partnership in December 2008 for the purchase of capital equipment and for the payment of payroll and certain other costs of the U.S. division of Bulk Plus Logistics by a related U.S. company (repaid in October). This was partially offset by the allocation of corporate cost savings to the Partnership which have not been paid as of September 2009.

Investing activities

Trimac's cash outflows relating to investing were \$4.8 million in the current period, an increase of \$2.8 million from the \$2.0 million recorded in the prior period. The increase is attributable to \$2.3 million of additional capital expenditures, a \$0.4 million reduction in disposal proceeds and other miscellaneous reductions of \$0.1 million as compared to the prior period. For the current year, cash outflows relating to investing activities were \$10.9 million, a slight decrease of \$0.1 million over the comparable period in 2008. The decrease is due to the reduction of \$1.1 million of capital expenditures mostly offset by reduced disposal proceeds of \$1.0 million. See "Capital expenditures" below.

Financing activities

In the current period, Trimac's cash flow used in financing activities was a net cash outflow of \$5.5 million, as represented by distributions paid of \$2.7 million and a net reduction in long-term debt of \$2.8 million. The net cash outflow in the prior period totalled \$7.6 million of which \$4.9 million related to distributions paid and long-term debt was reduced by \$2.7 million. For the current year net cash outflows totalled \$10.8 million with distributions of \$8.8 million and net long-term debt repayments of \$2.0 million. Cash outflows in the prior year were \$11.7 million represented by distributions paid of \$15.5 million partially offset by a net \$3.8 million increase to long-term debt.

Capital expenditures

(millions of dollars)	Three months ended		Nine months ended	
	September 30		September 30	
	2009	2008	2009	2008
Gross sustaining capital expenditures ⁽¹⁾	2.9	1.6	6.1	7.3
Less: proceeds on disposal of capital assets	(0.1)	(0.5)	(1.4)	(2.4)
Net sustaining capital expenditures ⁽¹⁾	2.8	1.1	4.7	4.9
Growth capital expenditures ⁽¹⁾	1.8	0.8	5.7	5.6
Net capital expenditures	4.6	1.9	10.4	10.5

(1) Gross sustaining capital expenditures, net sustaining capital expenditures and growth capital expenditures are not measures recognized by GAAP, do not have standardized meanings prescribed by GAAP and may not be comparable to similarly named measures presented by other issuers. Management believes that they are useful complementary measures for readers to evaluate the performance of the Fund.

The Partnership's net capital expenditures, including growth and sustaining capital, totalled \$4.6 million in the current period compared to \$1.9 million in the prior period. The increase of \$2.7 million over the prior period was due to increased sustaining capital expenditures of \$1.3 million, higher growth capital expenditures of \$1.0 million, and reduced disposal proceeds of \$0.4 million.

Gross sustaining capital purchases of \$2.9 million were made up primarily of replacement tractors accounting for approximately 75 percent of the total, with the balance applicable to a BPL facility upgrade and to other operating assets. Net sustaining capital expenditures were \$1.7 million higher than in the prior period due to higher tractor purchases. Proceeds on the disposal of capital assets were \$0.4 million less than that recorded in the prior period.

Growth capital expenditures of \$1.8 million in the current period consisted of trailer purchases of approximately 75 percent with the remainder being used for other operating assets. These trailer purchases consisted predominantly of chemical and edible trailers to support future business in these product lines. Growth capital purchases are funded from undistributed cash from operations, cash available from notional distributions on non-cash exchangeable shares and, to the extent required, available cash and existing lines of credit.

For the current year, net capital expenditures totalled \$10.4 million compared to \$10.5 million for the prior year. The \$0.1 million decrease in net capital expenditures from the prior year was made up of a \$1.2 million reduction in sustaining capital. This was partially offset by a \$0.1 million increase in growth capital and a \$1.0 million reduction in disposal proceeds. Sustaining capital purchases decreased when compared to the prior year due to a reduction in trailer purchases which reflect the lower equipment utilization experienced in the current year.

Net annual capital expenditures relating to sustaining capital requirements will vary from year to year based on: the economic life of the capital assets; historical purchase dates; the mix of life cycles expiring in a given year; other factors affecting equipment cost; disposal proceeds of replaced assets; and, annual equipment utilization. Estimated total net sustaining capital expenditure requirements for 2009 are

expected to be in the range of \$6.0 million to \$7.0 million. Sustaining capital purchases are funded from the Partnership's net cash provided by operations in the year, cash available from notional distributions on non-cash exchangeable shares and, thereafter, to the extent required, available credit facilities.

Credit facilities

The credit facilities of the Partnership consist of a shared revolving credit facility and a senior note held by TTSI.

Due to TTSI – There has been no change in the terms of this note as described and disclosed on page 20 of Trimac's 2008 annual report. A repayment of \$18.7 million was made during the current period on this loan reducing the balance outstanding to \$18.7 million as at September 30, 2009.

Revolving Credit facilities – Effective July 29, 2009, the Partnership renewed its \$60 million revolving credit facility for a further 364 day revolving period and is subject to renewal on July 28, 2010. If the facility is not renewed in 2010, the loan is repayable at the end of a 12 month term-out period. The credit line is unsecured and interest rates are floating, generally from Canadian or U.S. prime plus 1.5 percent to 3.0 percent determined by grid pricing based on the ratio of debt to earnings before interest, taxes and depreciation. The Partnership may elect to borrow in prime, LIBOR, Euro or bankers' acceptance instruments. As at September 30, 2009, unused lines of credit totalled \$12.3 million (December 31, 2008 – \$28.0 million) after taking into account \$4.9 million of issued letters of credit (December 31, 2008 – \$5.9 million).

The revolving credit facility and the TTSI private placement debt have specified financial covenants and all of the covenants have been complied with as of September 30, 2009.

Management anticipates Trimac will have adequate financial resources to fund ongoing operations and financing of debt payments due under the TTSI private placement debt. Capital expenditure patterns and debt levels are seasonal. During the period March through September, Trimac generally purchases and takes delivery of new equipment and requires working capital for increases in receivables and prepaid insurance and licences. This seasonal debt has historically been repaid from operating cash flows by the end of each fiscal year based on the operating performance of the business.

Off-Balance-Sheet and Contractual Obligations

Trimac's material off-balance-sheet and contractual obligations are disclosed below:

(millions of dollars)	Payment due by period				
	Total	< 1 year	1-3 years	4-5 years	After 5 years
Operating leases - revenue vehicles	1.6	0.9	0.7	-	-
Operating leases - facilities	3.9	1.5	1.5	0.6	0.3
Operating leases - other ⁽¹⁾	1.3	0.7	0.6	-	-
Fuel contract commitments ⁽²⁾	3.6	1.2	2.4	-	-
Capital purchase obligations - sustaining ⁽³⁾⁽⁴⁾	1.4	1.4	-	-	-
Capital purchase obligations - growth ⁽³⁾⁽⁵⁾	1.8	1.8	-	-	-
Long-term debt repayments ⁽⁷⁾	61.5	18.7	42.8	-	-
Interest on long-term debt	4.2	2.8	1.4	-	-
Other obligations ⁽⁶⁾	2.1	0.6	0.2	-	1.3
Total contractual obligations	81.4	29.6	49.6	0.6	1.6

- (1) Other operating leases are primarily office equipment including computers, copiers, and fax machines.
- (2) Under the terms of a customer contract, Trimac has committed to purchase a specified amount of fuel, determined by formula based on mileage driven for the customer, at a fixed price per litre, which is reset annually. (contract price per litre effective May 1, 2009 – \$0.62). This price has been used to estimate the commitment for the period subsequent to September 30, 2009.
- (3) Represents Trimac's sustaining and growth capital commitments at September 30, 2009. The funding of these commitments will be made using cash from operations or existing credit lines for sustaining capital and retained cash or existing credit lines for growth capital.
- (4) Sustaining capital purchases refers to capital expenditures that are necessary to sustain current revenue levels.
- (5) Growth capital is defined as purchases necessary to support revenue-increasing opportunities.
- (6) Represent payments due under a long-term incentive plan and executive pension plan that will be funded from retained cash and cash from operations.
- (7) Long-term debt repayments listed under 1-3 years includes \$42.8 million of revolving credit which would only become payable if the agreement is not renewed. The current agreement expires on July 28, 2010. Management expects the agreement to be further renewed at that time.

Deferred compensation plans

Partnership – Long-term incentive plan (LTIP)

There has been no change to this plan as described and disclosed on page 22 of Trimac's 2008 annual report. The Partnership recorded compensation expense of \$0.3 million for the current year (\$0.1 million in the current period) as compared to nil in the prior year (a \$0.2 million recovery in the prior period).

The Fund

There has been no change to this plan as described and disclosed on page 22 of Trimac's 2008 annual report. The Fund recorded compensation expense of \$0.1 million for the current period and the current year as compared to nil in the prior year.

Transactions with Related Parties

The Fund

On the date of the IPO, the Fund, indirectly, invested in a note receivable of \$35.0 million from TTSI. The note receivable was increased to \$35.1 million during 2007 and during 2008 to \$35.4 million concurrent with the conversion of TTSI Exchangeable Shares into Fund units. The note is due on February 25, 2030, is unsecured and interest is payable monthly at the rate of 8 percent per annum. The Fund earned interest income of \$2.1 million from TTSI during both the current and prior year.

Amounts due to associated companies and partnerships relate to amounts incurred in the ordinary course of business. The balances are non-interest-bearing and paid monthly. Trimac Holdings Ltd., the parent of TTSI, commonly controls the above related parties.

The Partnership

During the periods ended September 30, 2009 and September 30, 2008, the Partnership received administrative services provided by a related partnership, Trimac Management Services Limited Partnership (TMSLP), that is under common control. The services are provided under a shared services agreement that is in place until September 30, 2011 and amounted to \$2.6 million for the current period (\$8.5 million for the current year) and \$2.9 million in the prior period (\$8.7 million for the prior year).

During the third quarter the Partnership purchased 22 trailers from a certain U.S. related party. Total consideration was \$0.7 million paid in cash. Subsequent to September 30, 2009 the Partnership has purchased an additional 3 trailers for cash consideration of \$0.1 million. The transactions occurred at fair market value based on an external appraisal.

Due from related parties in current assets and due to related parties in current liabilities arise through the ordinary course of business, are owed from/to certain U.S. or Canadian related parties and are measured at the exchange amount. The balances are non-interest-bearing and paid monthly. Trimac Holdings Ltd., the parent of TTSI, controls or has significant influence over the above related parties.

Critical Accounting Estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported values of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and, as adjustments become necessary, are reported in earnings in the periods in which they become known. Accordingly, actual results could differ from these estimates. There has been no change in the accounting policies or in the methods of determination of management estimates from that disclosed on page 23 of Trimac's 2008 annual report.

Financial instruments and risk management

Classification

There has been no change in the classification of financial instruments as described and disclosed on page 25 of Trimac's 2008 annual report.

The estimated fair value of long-term debt, using the present value of expected cash outlays for principal and interest, based on an estimated rate for long-term debt with similar terms, was \$18.2 million at September 30, 2009 and \$36.0 million at December 31, 2008. Floating-rate debt and the stated amount of outstanding principal is considered to be fair value.

Risk Exposure

The Partnership is exposed to various risks associated with its financial instruments. These risks are as follows:

- a) Credit risk – The Partnership hauls a wide variety of bulk materials for a broad customer base spanning numerous industries. The credit risk is considered to be low and not overly concentrated due to the strength, diversity and long-standing relationships which exist with a substantial portion

of the customer base. At September 30, 2009 current trade receivables (i.e. less than 30 days) comprised 81 percent of the Partnership's total receivable base while the average number of days that sales were in accounts receivable was 30. At December 31, 2008 current receivables were 77 percent of total and the average number of days that sales were in accounts receivable was 27. The Partnership's credit management constantly monitors receivable balances and new customers are subject to extensive credit checks to ensure that any potential credit risks are minimized. Provisions have been estimated by management and included in the accounts to recognize potential bad debts. Past experience has established the provisions to be adequate. The allowance for doubtful accounts was \$0.2 million at September 30, 2009 and December 31, 2008.

- b) Interest rate risk – The interest rate risk at September 30, 2009 has increased over December 31, 2008 as a result of a \$18.7 million repayment of fixed rate debt during the quarter while floating rate debt has increased by \$16.7 million over December 2008. Fixed rate debt at September 2009 totals \$18.7 million out of the total debt of \$61.5 million. A 1 percent movement in the prime rate would have resulted in a \$0.2 million change to net earnings in the nine-month period ended September 30, 2009.
- c) Foreign exchange risk - While the availability of derivative financial instruments with respect to foreign exchange is monitored, it has not been considered necessary to hedge this risk. The Partnership is exposed to changes in the Canada/U.S exchange rate as certain balances within working capital may fluctuate due to changing rates. The Partnership's exposure is limited to certain contracts denominated in U.S dollars within the eastern division, various capital expenditures which are paid in U.S. dollars, the operations of Bulk Plus Logistics U.S. division which are incurred in U.S. dollars and translated to Canadian dollars for financial statement presentation and the shared services agreement which provides for an allocation of TMSLP expenses between the Partnership and certain affiliated U.S. companies. The U.S. affiliates are charged their share of the expenses at a standard exchange rate set at the beginning of each fiscal year and any resulting exchange gains or losses are charged or credited to the Partnership based on it's pro rata basis of allocation. The exposure is considered to be low as the proportion of the Partnership's total revenue transacted in U.S. dollars is less than 5 percent.
- d) Liquidity risk – The Partnership is exposed to liquidity risk through its working capital balance. Working capital was in a deficiency position at September 30, 2009 and December 31, 2008 due to the required long-term debt repayments scheduled for August 2009 and August 2010, which have been classified as a current liability. The August 2009 repayment was funded by existing credit lines and management expects to fund the August 2010 repayment through the establishment of an additional credit facility and by the utilization of existing credit facilities. The table below reflects the contractual maturity of the Partnership's financial liabilities as at September 30, 2009:

Financial liabilities					
(millions of dollars)	Total	Less	1 – 2	2 – 3	Thereafter
	\$	than 1	years	years	\$
	\$	year	\$	\$	\$
Accounts payable and accrued liabilities ⁽¹⁾	28.2	28.2	-	-	-
Distributions payable	4.1	4.1	-	-	-
Due to related parties	1.0	1.0	-	-	-
Long-term debt ⁽²⁾	61.5	18.7	42.8	-	-
Other long-term liabilities ⁽¹⁾	1.5	-	0.2	-	1.3
	96.3	52.0	43.0	-	1.3

The Partnership process for managing liquidity risk includes preparing and monitoring capital and operating budgets, coordinating and authorizing project expenditures and authorizing contracted agreements.

- (1) Includes the portion due within one year relating to the long-term incentive plan and executive pension plan. The portion of these liabilities due after one year are included in "Other long-term liabilities".
- (2) The required long-term debt payments listed under 1-2 years includes payment of \$42.8 million on the revolving credit facility which would only become payable if the current agreement is not renewed. This agreement expires on July 28, 2010. See "Off Balance Sheet and Contractual Obligations".
- e) **Commodity risk** – The Partnership is exposed to commodity risk related to the purchase of diesel fuel and the potential reduction in net income due to increases in the price of diesel. The impact of rising fuel costs has been mitigated by fuel surcharge programs in place with substantially all of the Partnership's customers and the effect of changes in fuel prices has generally been neutral to the Partnership's results in past years. Recovery of rising fuel costs, however, is impacted by the inherent lag in resetting surcharges due to contractual agreements with customers; price increase thresholds set in fuel surcharge programs; the fuel content percentage agreed on in the surcharge mechanism; and the timing of price increases compared to agreed upon reset periods. All of the above factors may vary from customer to customer as no standard contractual provision exists. The Partnership believes its fuel surcharge program is effective in recovering fuel cost increases over time; however, there is a lag in fuel price recovery that may result in quarterly shortfalls or surpluses depending on the price trend in any given period.

New Accounting Policies

Trimac adopted the following new accounting policies effective January 1, 2009.

Goodwill and intangible assets

CICA Handbook Section 3064 – Goodwill and Intangible Assets establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets subsequent to their initial recognition. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. This standard has not impacted the Partnership's financial statements.

Credit risk and fair value of financial assets and liabilities

Emerging issues committee abstract 173 – This abstract requires entities to take both counterparty and their own credit risk into account when measuring the fair value of financial assets and liabilities, including derivatives. The abstract did not effect the Partnership's financial statements.

Transition to International Financial Reporting Standards (IFRS) in Canada

In February 2008, the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable enterprises in Canada. In April 2008, the AcSB issued an IFRS Omnibus Exposure Draft

proposing that publicly accountable enterprises be required to apply IFRS, in full and without modification, on January 1, 2011.

The adoption date of January 1, 2011 will require the restatement, for comparative purposes, of amounts reported by the Fund for its year ended December 31, 2010, and of the opening balance sheet as at January 1, 2010. The Accounting Standards Board proposes that CICA Handbook Section - Accounting Changes, paragraph 1506.30 not be applied with respect to the IFRS Omnibus Exposure Draft.

The Fund is continuing to assess the financial reporting impacts of the adoption of IFRS and, at this time, the impact on future financial position and results of operations is not reasonably determinable.

The Fund commenced its IFRS conversion project in 2008 and has established a formal project governance structure which includes the audit committee, senior management, technical review committee and a project team. Senior management is updated on a monthly basis and progress is regular reported to the Audit Committee of the Board of Directors of the Fund where appropriate. An external advisor has been engaged to assist in the IFRS conversion project.

The Fund's IFRS conversion project consists of three phases: Scoping and Diagnostics, Analysis and Development, and Implementation and Review.

Phase One: Scoping and Diagnostics, which involved project planning, staffing, and identification of differences between Canadian GAAP and IFRS, has been completed. The resulting identified areas of accounting difference of highest potential impact to the Fund, based on existing IFRS, are classification of trust units, property, plant and equipment, provisions and contingent liabilities, employee benefits, impairment of assets, business combinations and initial adoption of IFRS under the provisions of IFRS 1 First-Time Adoption of IFRS.

Phase Two: Analysis and Development, is nearing completion and includes detailed diagnostics and evaluation of the financial impacts of various options and alternative methodologies provided for under IFRS; identification and design of operational and financial business processes; initial staff and audit committee training; analysis of IFRS 1 optional exemptions and mandatory exceptions to the general requirement for full retrospective application upon transition to IFRS; summarization of 2011 IFRS disclosure requirements; and development of required solutions to address identified issues. As phase two is not complete, the impact on the overall business and its internal controls, covenant requirements, capital requirements, compensation arrangements and disclosure requirements is not reasonably determinable at this time.

It is anticipated that the adoption of IFRS will not have a material impact on information systems requirements.

Phase Three: Implementation and Review, has commenced and involves the execution of any changes that may be required to information systems and business processes; completion of formal authorization processes to approve recommended accounting policy changes; and further training programs across the Fund's finance and other affected areas, as necessary. It will culminate in the collection of financial information necessary to compile IFRS-compliant financial statements and reconciliations; embedding of IFRS in business processes; and, audit committee approval of IFRS-compliant financial statements.

The Fund will continue to review all proposed and continuing projects of the International Accounting Standards Board that may be applicable to the Fund.

Income Taxes

The Partnership is not subject to income or capital taxes, as the income, if any, is taxed in the hands of the individual partners.

Income taxes for the Partnership's subsidiaries are accounted for under the asset and liability method, whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax base. Future tax assets and liabilities are measured using enacted or substantially enacted

tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of the change in tax rates is recognized in income in the period that includes the enactment date. Future income tax assets are recorded in the financial statements to the extent that realization of such benefits is more likely than not.

The Fund is a mutual fund trust for income tax purposes. On June 12, 2007, the Income Tax Act, as it relates to publicly traded trusts and partnerships, was amended. In particular, certain income of and distributions made by these entities will be taxed in a manner similar to income earned by and distributions made by a corporation. The amendments will be effective for the 2007 taxation year with respect to trusts that commenced public trading after October 31, 2006. The application of the rules will be delayed until the 2011 taxation year with respect to trusts which were publicly traded prior to November 1, 2006. Until that time, the Fund is only taxable on any amount not allocated to unitholders. As substantially all taxable income will be allocated to the unitholders, no current provision for income taxes on earnings has been made in the unaudited interim consolidated financial statements of the Fund. Income tax liabilities relating to distributions of the Fund prior to 2011 will continue to be taxed in the hands of the unitholders.

As previously disclosed, upon enactment of the June 12, 2007 Income Tax Act amendments the Fund is required to account for future income under the asset and liability method, whereby future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Future income tax assets would be recorded in the consolidated financial statements to the extent that realization of such benefits is more likely than not. The difference between the adjusted cost base for tax purposes and the financial statement carrying value of the Fund as at September 30, 2009 is as follows:

Investment in Trimac Transportation Services Limited Partnership

Financial statement carrying value	\$ 64.2 million
Tax value	\$ 90.3 million

Realization of the future tax asset relating to this temporary difference cannot be estimated, therefore it has not been recorded.

During 2006, the federal Minister of Finance released guidance for income trusts and other flow-through entities that qualify for the four-year transitional relief. The guidance establishes objective tests with respect to how much an income trust is permitted to grow without jeopardizing its transitional relief. In general, the Fund will be permitted to issue new equity over the transitional four years equal to its market capitalization as of the end of trading on October 31, 2006 (subject to certain annual limits). Market capitalization, for these purposes, is to be measured in terms of the value of the Fund's issued and outstanding publicly-traded units. If these limits are exceeded, the Fund may lose its transitional relief and thereby become immediately subject to the proposed rules.

Outlook

At existing business levels, Trimac believes that the funds available under its credit facilities and cash flow from operations will be sufficient to allow it to meet debt repayment requirements, ongoing requirements for capital expenditures, working capital, and distributions. Trimac's future needs may change, and in such event, Trimac's ability to satisfy its obligations and make distributions will be dependent upon its future financial performance. Trimac's financial performance is subject to a number of risks and uncertainties, including elements beyond its control.

Recognizing that there is seasonality inherent in our business, management foresees a continuation of the recessionary conditions experienced in the first nine months of 2009 in the fourth quarter.

Management will continue to reduce capacity and reduce costs consistent with levels of business activity. As previously stated, Trimac's ongoing and planned capital purchases will continue to be monitored and the plan contains the flexibility to respond to changes in demand.

Forward-Looking Statements

This MD&A contains statements concerning the outlook for Trimac's business, estimates for sustaining capital expenditures and commitments and the adequacy of Trimac's financial resources to fund ongoing operations, including capital expenditures, working capital, debt repayments and distributions at existing business levels, or other expectations, plans, goals, objectives, assumptions, information or statements about future events, conditions, results of operations or performance that may constitute forward-looking statements or information under applicable securities legislation. Words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict" and words and expressions of similar import are intended to identify these forward-looking statements. Such forward-looking statements or information are based on a number of assumptions, which may prove to be incorrect. In addition to any other assumptions identified in this MD&A, certain assumptions have been made concerning the forward-looking information contained herein including, among other things: Trimac will be successful in maintaining its customer relationships and such customers will not materially reduce the volume of business provided to Trimac; the level of Trimac's business activities and economic conditions in general will not be materially different from those prevailing in the second quarter of 2009; Trimac will continue to attract and retain a sufficient number of qualified drivers and mechanics; Trimac will continue to be successful in recovering fuel price increases from its customers; adverse weather conditions will not unduly impact Trimac's operations; the Canadian dollar will not materially strengthen against the United States dollar; distributions payable by Trimac to its unitholders will not be subject to tax in 2009; there will be no material changes to the laws and regulations applicable to Trimac or its businesses; the seasonality of Trimac's business will be consistent with historical trends; no irreparable damage will be done to Trimac's operating systems and databases or information contained thereon; Trimac will maintain or improve upon its competitive position within the bulk trucking sector; adequate financing will be available to Trimac to fund capital expenditures, working capital and distributions on terms and conditions favourable to Trimac; Trimac will not experience greater than anticipated accident costs; Trimac will not have any judgment entered against it in a court of law which would have a material adverse effect on Trimac or its businesses; Trimac will continue to have all material licences and permits required by law to conduct its businesses as currently conducted; there will not be a material increase in the price of equipment required in the business of Trimac; and the estimated useful life of equipment and the proceeds received on the disposition thereof will be consistent with historical trends at Trimac.

Although the Fund believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Fund can give no assurance that such expectations will prove to be correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Fund and described in the forward-looking statements or information. These risks and uncertainties include but are not limited to:

- General economic conditions – Certain product lines of Trimac are dependent on the general economic conditions of the regions in which Trimac operates and cash flows may be negatively impacted by economic downturns in any particular region or the economy generally;
- Labour – Trimac's cash flow and growth are dependent on its ability to hire and retain quality drivers and mechanics;
- Fuel – Rising fuel prices and the ability of Trimac to recover cost increases in the marketplace may impact cash flow;
- Weather – Adverse weather may impact Trimac's transportation of goods and increase operating costs;

- Foreign currency exchange rates – If the Canadian dollar strengthens against the U.S. dollar it may impact Trimac’s customers’ cost-competitiveness and negatively impact the volume of goods transported;
- Tax structure – Changes in government regulation may negatively impact Trimac’s distributable cash;
- Environmental considerations – Changes in environmental law may impact operating costs;
- Seasonality of business – Financial results may be impacted by the seasonality of the business;
- Information technology – Cash flow could be adversely affected by an event that caused irreparable damage to Trimac’s operating systems and databases or information contained in the databases;
- Accident costs – Financial results may be impacted by large accident claims;
- Competitive conditions – There can be no assurance that Trimac will be able to compete successfully against its current or future competitors or that competition will not have a material adverse affect on its results of operations and financial condition; and
- Financing – No assurances can be made that financing will be available when required by business needs or to refinance existing debt.

The foregoing list of risks and uncertainties is not exhaustive. Additional information on these and other factors which may affect Trimac’s operations or financial results and those of the Fund are included under “Risk Factors” in the Fund’s current Annual Information Form and as may be updated in the Fund’s annual and interim MD&A and Annual Information Form, which are or will be filed with securities regulators. The Fund undertakes no obligation to update publicly or otherwise revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Trust units of Trimac Income Fund are traded on the Toronto Stock Exchange under the symbol TMA.UN

Trimac Income Fund
1700, 800 Fifth Avenue S.W.
Calgary, Alberta T2P 5A3
Telephone: 403-298-5100
Website: www.trimacincomefund.com

Trimac Income Fund

Consolidated Interim Financial Statements

September 30, 2009

(Unaudited)

Trimac Income Fund
Consolidated Balance Sheet
(unaudited)

(thousands of dollars)

	As at September 30, 2009	As at December 31, 2008
	\$	\$
Assets		
Current assets		
Cash	99	970
Interest receivable (note 5)	233	241
Distributions receivable	344	719
Prepaid expenses	10	105
	<u>686</u>	<u>2,035</u>
Investment in Trimac Transportation Services Limited Partnership (note 3 b)	64,171	67,412
Note receivable from Trimac Transportation Services Inc. (note 5)	35,438	35,438
	<u>100,295</u>	<u>104,885</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	11	74
Due to associated companies and partnerships (note 5)	7	967
Distributions payable (note 4)	503	970
	<u>521</u>	<u>2,011</u>
Deferred compensation plan	118	50
	<u>639</u>	<u>2,061</u>
Unitholders' equity (note 6)	99,656	102,824
	<u>100,295</u>	<u>104,885</u>

See accompanying notes to the unaudited consolidated financial statements

Trimac Income Fund

Consolidated Statement of Earnings, Comprehensive Income and Unitholders' Equity (unaudited)

(thousands of dollars, except per unit amounts and number of units)

	Three months ended September 30, 2009	Three months ended September 30, 2008	Nine months ended September 30, 2009	Nine months ended September 30, 2008
	\$	\$	\$	\$
Share of income (loss) of Trimac Transportation Services Limited Partnership (note 3)	594	2,434	(58)	3,085
Interest income (note 5)	716	707	2,105	2,123
Administrative costs	(194)	(242)	(577)	(680)
Net earnings	1,116	2,899	1,470	4,528
Other comprehensive (loss) income - share of Partnership other comprehensive (loss) income	(60)	13	(107)	33
Comprehensive income	1,056	2,912	1,363	4,561
Opening unitholders' equity	100,110	104,215	102,824	108,079
Issue of additional units (note 5)	-	-	-	297
Distributions declared (note 4)	(1,510)	(2,912)	(4,531)	(8,722)
Closing unitholders' equity	99,656	104,215	99,656	104,215
Basic earnings per unit ⁽¹⁾	\$ 0.0887	\$ 0.2305	\$ 0.1168	\$ 0.3602
Fully diluted earnings per unit ⁽¹⁾	\$ 0.0887	\$ 0.2305	\$ 0.1162	\$ 0.3602
Weighted average number of units outstanding used in computing basic earnings per unit	12,584,679	12,571,134	12,584,679	12,571,134
Number of units outstanding used in computing diluted earnings per unit ⁽¹⁾	25,734,152	24,530,426	25,734,152	24,530,426

(1) Pursuant to an investor liquidity agreement, holders of TTSI Exchangeable Shares have the right to liquidate their 10,230,538 shares of TTSI and receive units in the Fund on the basis as described in note 6. Following the full exercise of such liquidation rights, the Fund would own 100 percent of the Partnership. The number of units used in the calculation of diluted earnings per unit assumes full liquidation at the beginning of the period. The calculation of fully diluted earnings per unit for the three month periods ended September 30, 2009 and 2008 and for the nine month period ended September 30, 2008 have not been disclosed as they would have an anti-dilutive effect.

See accompanying notes to the unaudited consolidated financial statements

Trimac Income Fund

Notes to the Consolidated Financial Statements (unaudited)

(thousands of dollars, except per unit amounts, number of units or shares and other exceptions as indicated)

	Three months ended September 30, 2009	Three months ended September 30, 2008	Nine months ended September 30, 2009	Nine months ended September 30, 2008
	\$	\$	\$	\$
Cash provided (used)				
Operations				
Net earnings	1,116	2,899	1,470	4,528
Add items not affecting cash:				
Share of (income) loss from Trimac Transportation Services Limited Partnership	(594)	(2,434)	58	(3,085)
Distributions from Trimac Transportation Services Limited Partnership ⁽¹⁾	-	2,434	-	3,085
Deferred compensation costs	25	26	68	52
Cash provided by operations	547	2,925	1,596	4,580
Net change in non-cash working capital	21	137	(920)	336
Net cash provided by operations	568	3,062	676	4,916
Investments				
Distributions from Trimac Transportation Services Limited Partnership ⁽¹⁾	1,017	(38)	3,451	4,195
Cash provided by (used in) investing activities	1,017	(38)	3,451	4,195
Financing				
Distributions paid	(1,508)	(2,911)	(4,998)	(8,719)
Cash used in financing activities	(1,508)	(2,911)	(4,998)	(8,719)
Increase (decrease) in cash	77	113	(871)	392
Cash, beginning of period	22	683	970	404
Cash, end of period	<u>99</u>	<u>796</u>	<u>99</u>	<u>796</u>
Supplemental information				
Cash received from interest (net)	716	707	2,113	2,128

(1) Distributions received from Trimac Transportation Services Limited Partnership ("Partnership") are recorded as cash from operations to the extent of the Fund's year-to-date income earned from its investment in the Partnership. Distributions received in excess of this amount are recorded as cash from investments.

See accompanying notes to the unaudited consolidated financial statements

Trimac Income Fund

Notes to the Consolidated Financial Statements (unaudited)

(thousands of dollars, except per unit amounts, number of units or shares and other exceptions as indicated)

1. Description of the Fund

Trimac Income Fund (the "Fund") is a limited-purpose trust established under the laws of the Province of Alberta pursuant to the Declaration of Trust dated January 7, 2005 as amended and restated by the Amended and Restated Declaration of Trust dated February 17, 2005. The Fund was created to invest, through TIF Commercial Trust, a wholly-owned trust of the Fund (the "Trust"), in the Canadian bulk trucking business and logistics businesses, through the acquisition of a non-controlling interest in Trimac Transportation Services Limited Partnership (the "Partnership") and in shares of Trimac Transportation Services Inc. (TTSI), the general partner of the Partnership. On February 25, 2005 the Fund issued units pursuant to an initial public offering.

The accompanying unaudited interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP). In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. These unaudited interim consolidated financial statements have been prepared using the same accounting policies as were applied in the audited consolidated financial statements of the Fund for the year ended December 31, 2008, except as discussed in note 2 for the adoption of new accounting standards. Due to the limited amount of information that the unaudited interim consolidated financial statements provide on the underlying operations of the Partnership, these unaudited interim consolidated financial statements should be read in conjunction with the unaudited interim consolidated financial statements of the Partnership for the period ended September 30, 2009.

Each unitholder participates pro rata in any distribution from the Fund.

2. New accounting policies

Future accounting changes

a) International Financial Reporting Standard (IFRS) adoption

In February 2008, the Accounting Standards Board announced that January 2011 will be the changeover date for publicly-listed entities to use IFRS, replacing Canada's existing GAAP. The changeover becomes operative for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Fund for the year ended December 31, 2010. While the Fund has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Trimac Income Fund

Notes to the Consolidated Financial Statements (unaudited)

(thousands of dollars, except per unit amounts, number of units or shares and other exceptions as indicated)

3. Investment in Trimac Transportation Services Limited Partnership

a) Share of partnership earnings (loss)

The net earnings of the Partnership are allocated between TTSI and the Fund based on the terms of the partnership agreement. The following is a reconciliation of net earnings recorded in the consolidated financial statements of the Partnership to the amount recorded by the Fund.

	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
	\$	\$	\$	\$
Net earnings of the Partnership	3,785	7,566	4,158	10,775
Add: Interest expense on TTSI debt included in Partnership earnings	533	877	1,883	2,914
Adjusted Partnership earnings	4,318	8,443	6,041	13,689
Less: Purchase price allocation adjustments:				
Increase in amortization of capital assets and loss on disposal of capital assets ⁽¹⁾	(472)	(513)	(1,547)	(1,743)
Amortization of intangible assets ⁽²⁾	(1,011)	(1,011)	(3,033)	(3,033)
Partnership earnings after purchase price adjustments	2,835	6,919	1,461	8,913
Share of Partnership earnings (loss)	594	2,434	(58)	3,085

⁽¹⁾ The amortization of capital assets is increased as the amortization is calculated in the Partnership financial statements using historical costs. The Fund is required to calculate its amortization expense based on its share of fair values on the date of acquisition. At the date of acquisition, the fair value of capital assets was estimated to be \$27,476 in excess of historical net book value as recorded in the Partnership. The amortization period for the value in excess of book for capital assets ranges from zero to 15 years, consistent with the amortization policies of the Partnership and as a result, amortization expense of \$1,371 and an adjustment on asset disposals of \$176 has been recorded for the nine-month period ended September 30, 2009, and amortization expense of \$1,440 and an adjustment on asset disposals of \$303 has been recorded for the nine-month period ended September 30, 2008. The unamortized value of the excess at September 30, 2009 is \$14,012 (December 31, 2008 – \$15,559).

Trimac Income Fund

Notes to the Consolidated Financial Statements (unaudited)

(thousands of dollars, except per unit amounts, number of units or shares and other exceptions as indicated)

(2) *The estimated fair market value of intangible assets at the date the Fund acquired its interest in the Partnership was \$68,804. Amortization of the book value allocated to customer contracts was completed during the year ended December 31, 2006. The book value of intangibles and amortization is as follows:*

	Amortization period (years)	Value at date of acquisition \$	Unamortized value at September 30, 2009 \$	Amortization for the nine- month period ended September 30, 2009 \$	Amortization for the nine- month period ended September 30, 2008 \$
Brand name	N/A	20,137	20,137	-	-
Customer contracts	1.5	12,449	-	-	-
Information technology	5	6,847	572	1,026	1,026
Customer relationships	11	29,371	17,132	2,007	2,007
		68,804	37,841	3,033	3,033

b) Investment in the Partnership

A continuity of the Fund's investment in the Partnership is as follows:

	As at September 30, 2009 \$	As at December 31, 2008 \$
Opening balance	67,412	72,961
Add (deduct):		
Share of (loss) earnings (note 3(a))	(58)	3,806
Share of other comprehensive (loss) income (OCI)	(107)	182
Distributions from Partnership	(3,076)	(9,537)
Closing balance	64,171	67,412

Trimac Income Fund

Notes to the Consolidated Financial Statements (unaudited)

(thousands of dollars, except per unit amounts, number of units or shares and other exceptions as indicated)

The Fund's investment in the Partnership consisted of the following:

	As at September 30, 2009	As at December 31, 2008
	\$	\$
Equity investment	90,285	90,285
Accumulated share of earnings	13,630	13,688
Accumulated share of OCI	(13)	94
Accumulated distributions	(39,731)	(36,655)
Closing balance	<u>64,171</u>	<u>67,412</u>

4. Distributions to unitholders

The policy of the Fund is to make monthly cash distributions to unitholders. TTSI's Board of Directors, as administrators of the Fund, approve the level of monthly distributions based upon estimated cash flow on an annual basis, less estimated cash amounts required for debt service obligations, sustaining capital expenditures, cash taxes, other expense amounts and reserves (including amounts for capital expenditures and working capital) and to stabilize the monthly amount of distributions to unitholders. The distributions will be based upon cash receipts of the Fund less amounts which may be paid by the Fund in connection with any cash redemptions or repurchases of units and expenses and liabilities of the Fund, if any. The Fund may make additional distributions in excess of the monthly distributions during the year at the sole discretion of the Trustees.

Monthly distributions will be made available to unitholders of record on the last business day of each month and will be paid on or about the fifteenth day of the following month. Monthly distributions of \$0.04 per unit (\$4,531 in total) were paid during the nine-month period ended September 30, 2009. In the nine-month period ended September 30, 2008 monthly distributions of \$0.0771 per unit were paid (\$8,722 in total). In December 2008, TTSI's Board of Directors approved a reduction in monthly distributions to \$0.04 per unit commencing with the January 2009 distribution paid in February 2009.

5. Related-party transactions

On the date of the initial public offering, the Trust invested in a note receivable of \$35,000 from TTSI. This was increased to \$35,141 during 2007 concurrent with the conversion of TTSI Exchangeable Shares into Fund units. During 2008 the note receivable was further increased to \$35,438 upon the conversion of 39,129 shares into new units of the Fund. The note is due on February 25, 2030, is unsecured and interest is payable monthly at the rate of 8 percent per annum. The Trust earned interest income of \$2,121 from TTSI during the nine-month period ended September 30, 2009 and \$715 during the quarter.

Trimac Income Fund

Notes to the Consolidated Financial Statements (unaudited)

(thousands of dollars, except per unit amounts, number of units or shares and other exceptions as indicated)

During 2008, interest income of \$2,121 was earned in the nine-month period ended September 30 and \$709 during the quarter.

Amounts due to associated companies and partnerships relate to amounts incurred in the ordinary course of business. The balances are non-interest-bearing and paid monthly.

Trimac Holdings Ltd., the parent of TTSI, commonly controls the above associated companies and partnerships.

6. Unitholders' equity

In 2005, TTSI issued TTSI Exchangeable Shares to its parent company, Trimac Holdings Ltd., and certain management personnel as part of certain pre-closing reorganization transactions. Holders of TTSI Exchangeable Shares have the right to receive units in the Fund, indirectly through TTSI or the Trust at any time (provided that the Board of Directors shall have the discretion to limit the number of exchanges per year), in exchange for their TTSI Exchangeable Shares. Such exchange right is not exercisable if the effect would be to cause the Fund to lose its status as a mutual fund trust under the Income Tax Act (Canada). TTSI Exchangeable Shares can be exchanged at the option of TTSI only if the TTSI Exchangeable Shares outstanding, at any time, are exchangeable for fewer than 350,000 units. Exchangeable Security Voting Rights were also issued by the Fund to the holders of TTSI Exchangeable Shares. These rights entitle the holder to one vote at unitholders' meetings of the Fund for each unit that the holder has a right to acquire on exchange of the TTSI Exchangeable Shares. The Exchangeable Shares may be exchanged for units in the Fund, on the basis of the exchange ratio in effect at the time of the exchange. During the nine-month period ended September 30, 2009, 2,200 of the TTSI exchangeable shares were cancelled. The number of TTSI Exchangeable Shares outstanding at September 30, 2009 was 10,230,538 (December 31, 2008 – 10,060,405), of which 6,491,065 (December 31, 2008 – 6,070,502) receive monthly distributions from the Partnership ("Cash Exchangeables") and 3,739,473 (December 31, 2008 – 3,989,903) do not receive monthly distributions but have a monthly increase in their exchange ratio in lieu of such distributions ("Ratchet Exchangeables"). During the nine-month period ended September 30, 2009, 250,430 Ratchet Exchangeables were exchanged for 422,763 Cash Exchangeables. The Exchange Ratio at September 30, 2009 is 1:1 for the Cash Exchangeables and 1.780574:1 for the Ratchet Exchangeables. At December 31, 2008 the Exchange Ratio for Cash Exchangeables was 1:1 and 1.585390:1 for Ratchet Exchangeables. Subsequent to the September 30, 2009 distribution, on October 15, 2009, the Fund had the following number of securities outstanding or reserved for issuance:

Trimac Income Fund

Notes to the Consolidated Financial Statements (unaudited)

(thousands of dollars, except per unit amounts, number of units or shares and other exceptions as indicated)

	Trust Units	Reserved for TTSI Exchangeable Shares ⁽¹⁾		Fully diluted Units
		Cash	Ratchet	
Balance, December 31, 2007	12,545,550	6,061,113	5,321,816	23,928,479
Unit allocation	-	-	1,055,256	1,055,256
Cancellation	-	(3,000)	-	(3,000)
Exchange Ratchet for Cash Exchangeable Shares	-	51,518	(51,518)	-
Convert Exchangeable Shares into Trust units	39,129	(39,129)	-	-
Balance, December 31, 2008	12,584,679	6,070,502	6,325,554	24,980,735
Unit allocation	-	-	755,617	755,617
Cancellation	-	(2,200)	-	(2,200)
Exchange Ratchet for Cash Exchangeable Shares	-	422,763	(422,763)	-
Balance, September 30, 2009	12,584,679	6,491,065	6,658,408	25,734,152

The unitholders' equity balance consisted of the following:

	As at September 30, 2009 \$	As at December 31, 2008 \$
Equity investment	125,723	125,723
Accumulated earnings	22,444	20,974
Accumulated OCI	(13)	94
Accumulated distributions	(48,498)	(43,967)
Total unitholders' equity	99,656	102,824

⁽¹⁾ Reserved for issuance pursuant to TTSI Exchangeable Shares, which are exchangeable for Trust units.

7. Guarantees

The Trust and the Partnership have each guaranteed the senior note and the revolving credit facility retained by TTSI. These facilities are described in note 5 of the unaudited interim consolidated financial statements of the Partnership. In addition, payment of the note receivable from TTSI is subordinated to the senior note and revolving credit facility.

**Trimac Transportation Services
Limited Partnership**

Consolidated Interim Financial Statements

September 30, 2009

(Unaudited)

Trimac Transportation Services Limited Partnership

Consolidated Balance Sheet

(unaudited)

(thousands of dollars)

	As at September 30, 2009	As at December 31, 2008
	\$	\$
Assets		
Current assets		
Cash	702	2,350
Accounts receivable	28,913	31,350
Materials and supplies	1,332	1,626
Due from related parties (note 6)	1,686	3,088
Income taxes recoverable	23	-
Prepaid expenses	9,235	10,315
	<u>41,891</u>	<u>48,729</u>
Capital assets (note 4)	88,634	92,708
Intangible assets	2,868	3,495
Goodwill	6,182	6,182
Other	1,756	1,622
	<u>141,331</u>	<u>152,736</u>
Liabilities		
Current liabilities		
Bank indebtedness	-	1,969
Accounts payable and accrued liabilities	28,180	29,282
Distributions payable	4,068	3,080
Income taxes payable	-	570
Due to related parties (note 6)	1,023	1,223
Current maturities of long-term debt (note 5)	18,667	18,666
	<u>51,938</u>	<u>54,790</u>
Long-term debt (note 5)	42,799	44,723
Future income taxes	393	1,207
Other long-term liabilities	1,526	1,253
	<u>96,656</u>	<u>101,973</u>
Partnership equity	44,675	50,763
	<u>141,331</u>	<u>152,736</u>
Commitments and contingencies (note 8)		

See accompanying notes to the unaudited consolidated financial statements

Trimac Transportation Services Limited Partnership

Consolidated Statement of Earnings, Comprehensive Income and Partnership Equity (unaudited)

(thousands of dollars)

	Three months ended September 30 2009	Three months ended September 30 2008	Nine months ended September 30 2009	Nine months ended September 30 2008
	\$	\$	\$	\$
Revenue				
Transportation revenue	62,886	71,582	181,890	206,901
Fuel surcharges	4,662	17,254	13,103	41,707
	<u>67,548</u>	<u>88,836</u>	<u>194,993</u>	<u>248,608</u>
Operating costs and expenses				
Direct	48,522	62,894	141,868	183,017
Selling and administrative (note 6)	9,906	11,532	31,273	34,798
Depreciation and amortization	5,154	5,476	15,481	16,438
Loss (gain) on sale of assets, net	14	(192)	(260)	(718)
	<u>63,596</u>	<u>79,710</u>	<u>188,362</u>	<u>233,535</u>
Operating expense	<u>63,596</u>	<u>79,710</u>	<u>188,362</u>	<u>233,535</u>
Operating earnings	3,952	9,126	6,631	15,073
Interest on long-term debt	888	1,247	2,873	3,687
Other interest expense	9	16	54	42
	<u>897</u>	<u>1,263</u>	<u>2,927</u>	<u>3,729</u>
Earnings before income taxes	3,055	7,863	3,704	11,344
Income tax expense (recovery)				
Current	104	283	367	581
Future	(834)	14	(821)	(12)
	<u>(730)</u>	<u>297</u>	<u>(454)</u>	<u>569</u>
Net earnings	3,785	7,566	4,158	10,775
Other comprehensive (loss) income - net change in cumulative translation adjustments	(229)	37	(418)	94
Comprehensive income	3,556	7,603	3,740	10,869
Opening partnership equity	44,432	49,001	50,763	55,186
Distributions declared	(3,313)	(4,683)	(9,828)	(14,134)
Closing partnership equity	<u>44,675</u>	<u>51,921</u>	<u>44,675</u>	<u>51,921</u>
Accumulated other comprehensive income (losses) (included in partnership equity)				
Opening balance	75	(212)	264	(269)
Other comprehensive (loss) income	(229)	37	(418)	94
Closing balance	<u>(154)</u>	<u>(175)</u>	<u>(154)</u>	<u>(175)</u>

See accompanying notes to the unaudited consolidated financial statements

Trimac Transportation Services Limited Partnership

Consolidated Statement of Cash Flows

(unaudited)

(thousands of dollars)

	Three months ended September 30 2009	Three months ended September 30 2008	Nine months ended September 30 2009	Nine months ended September 30 2008
	\$	\$	\$	\$
Cash provided (used)				
Operations				
Net earnings	3,785	7,566	4,158	10,775
Add back (deduct) items not affecting cash:				
Depreciation and amortization	5,154	5,476	15,481	16,438
Loss (gain) on sale of assets, net	14	(192)	(260)	(718)
Future income tax (recovery) expense	(834)	14	(821)	(12)
Other non-cash items	(24)	(202)	140	(357)
Cash provided by operations	8,095	12,662	18,698	26,126
Net change in non-cash working capital (note 9)	365	(1,325)	3,287	(1,264)
Net cash provided by operations	8,460	11,337	21,985	24,862
Investments				
Purchases of capital assets	(4,752)	(2,370)	(11,848)	(12,874)
Proceeds on sale of capital assets	104	478	1,431	2,337
Increase (decrease) in accounts payable and accrued liabilities relating to investing activities	208	(139)	(2)	(527)
(Increase) decrease in accounts receivable relating to investing activities	-	(4)	5	10
Other	(379)	40	(487)	74
Cash used in investing activities	(4,819)	(1,995)	(10,901)	(10,980)
Financing				
Increase in long-term debt	15,916	15,986	16,744	22,438
Repayments of long-term debt	(18,667)	(18,667)	(18,667)	(18,667)
Distributions paid	(2,741)	(4,910)	(8,840)	(15,517)
Cash used in financing activities	(5,492)	(7,591)	(10,763)	(11,746)
(Decrease) increase in cash	(1,851)	1,751	321	2,136
Cash (bank indebtedness), beginning of period	2,553	147	381	(238)
Cash, end of period	<u>702</u>	<u>1,898</u>	<u>702</u>	<u>1,898</u>
Supplemental information				
Income taxes (recovered) paid	(1)	61	960	282
Interest paid	1,756	2,538	3,843	4,888

See accompanying notes to the unaudited consolidated financial statements

Trimac Transportation Services Limited Partnership

Notes to the Consolidated Financial Statements

(unaudited)

(thousands of dollars except ratios and certain other exceptions as indicated)

1. Description of the business

Trimac Transportation Services Limited Partnership (“Trimac” or the “Partnership”) is a limited partnership established on November 12, 2004 under the laws of the Province of Alberta. Trimac Transportation Services Inc. (TTSI) owns the general partnership interest and the Trimac Income Fund (the “Fund”) owns limited partnership units indirectly. The Partnership is Canada’s largest bulk trucking services provider, with operations from coast to coast. In addition, through its investment in another limited partnership and through a subsidiary company, the Partnership provides complementary logistics services in Canada and the United States. The Partnership is headquartered in Calgary, Alberta.

The accompanying unaudited interim consolidated financial statements include the accounts of the Partnership and its subsidiaries. All of the subsidiaries are 100 percent owned. The statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP). In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. These unaudited interim consolidated financial statements have been prepared using the same accounting policies as were applied in the audited consolidated financial statements of the Partnership for the year ended December 31, 2008, except as discussed in note 2 for the adoption of new accounting standards.

2. New accounting policies

Goodwill and intangible assets

CICA Handbook Section 3064 – *Goodwill and Intangible Assets* was adopted on January 1, 2009 and establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets subsequent to their initial recognition. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. This standard has not impacted the Partnership’s financial statements.

Credit risk and fair value of financial assets and liabilities

Emerging issues committee abstract 173 – This abstract is effective on January 1, 2009 and requires entities to take both counterparty and their own credit risk into account when measuring the fair value of financial assets and liabilities, including derivatives. The abstract did not effect the Partnership’s financial statements.

Future accounting changes

International Financial Reporting Standards (IFRS) adoption

In February 2008, the Accounting Standards Board announced that January 2011 will be the changeover date for publicly-listed entities to use IFRS, replacing Canada’s existing GAAP. The changeover becomes operative for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the

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Partnership for the year ended December 31, 2010. While the Partnership has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. Financial instruments and risk management

Risk Exposure

The Partnership is exposed to various risks associated with its financial instruments. These risks are as follows:

- a) Credit risk – The Partnership hauls a wide variety of bulk materials for a broad customer base spanning numerous industries. The credit risk is considered to be low and not overly concentrated due to the strength, diversity and long-standing relationships which exist with a substantial portion of the customer base. At September 30, 2009 current trade receivables (i.e. less than 30 days) comprised 81 percent of the Partnership's total receivable base while the average number of days that sales were in accounts receivable was 30. At December 31, 2008 current receivables were 77 percent of total and the average number of days that sales were in accounts receivable was 27. The Partnership's credit management constantly monitors receivable balances and new customers are subject to extensive credit checks to ensure that any potential credit risks are minimized. Provisions have been estimated by management and included in the accounts to recognize potential bad debts. Past experience has established the provisions to be adequate. The allowance for doubtful accounts was \$189 at September 30, 2009 and \$176 at December 31, 2008.
- b) Interest rate risk – The interest rate risk at September 30, 2009 has increased over December 31, 2008 as a result of a \$18,667 repayment of fixed rate debt during the quarter while floating rate debt has increased by \$16,744 over December 2008. Fixed rate debt at September 2009 totals \$18,667 out of the total debt of \$61,466. A 1 percent movement in the prime rate would have resulted in a \$204 change to net earnings in the nine-month period ended September 30, 2009.
- c) Foreign exchange risk - While the availability of derivative financial instruments with respect to foreign exchange is monitored, it has not been considered necessary to hedge this risk. The Partnership is exposed to changes in the Canada/U.S exchange rate as certain balances within working capital may fluctuate due to changing rates. The Partnership's exposure is limited to certain contracts denominated in U.S dollars within the eastern division, various capital expenditures which are paid in U.S. dollars, the operations of Bulk Plus Logistics U.S. division which are incurred in U.S. dollars and translated to Canadian dollars for financial statement presentation and the shared services agreement referred to in note 6 which provides for an allocation of TMSLP expenses between the Partnership and certain affiliated U.S. companies. The U.S. affiliates are charged their share of the expenses at a standard exchange rate set at the beginning of each fiscal year and any resulting exchange gains or losses are charged or credited to the Partnership based on it's pro rata basis of allocation. The exposure is

Trimac Transportation Services Limited Partnership

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considered to be low as the proportion of the Partnership's total revenue transacted in U.S. dollars is less than 5 percent.

- d) Liquidity risk – The Partnership is exposed to liquidity risk through its working capital balance. Working capital was in a deficiency position at September 30, 2009 and December 31, 2008 due to the required long-term debt repayments scheduled for August 2009 and August 2010, which have been classified as a current liability (note 5). The August 2009 repayment was funded by existing credit lines and management expects to fund the August 2010 repayment through the establishment of an additional credit facility and by the utilization of existing credit facilities. The table below reflects the contractual maturity of the Partnership's financial liabilities as at September 30, 2009:

Financial liabilities	Total	Less	1 – 2	2 – 3	Thereafter
	\$	than 1	years	years	\$
		year	\$	\$	\$
		\$			
Accounts payable and accrued liabilities ⁽¹⁾	28,180	28,180	-	-	-
Distributions payable	4,068	4,068	-	-	-
Due to related parties	1,023	1,023	-	-	-
Long-term debt ⁽²⁾	61,466	18,667	42,799	-	-
Other long-term liabilities ⁽¹⁾	1,526	-	182	-	1,344
	<u>96,263</u>	<u>51,938</u>	<u>42,981</u>	<u>-</u>	<u>1,344</u>

The Partnership process for managing liquidity risk includes preparing and monitoring capital and operating budgets, coordinating and authorizing project expenditures and authorizing contracted agreements.

(1) Includes the portion due within one year relating to the long-term incentive plan and executive pension plan. The portion of these liabilities due after one year are included in "Other long-term liabilities".

(2) The required long-term debt payments listed under 1-2 years includes payment of \$42,799 on the revolving credit facility (note 5b and d) which would only become payable if the current agreement is not renewed. This agreement expires on July 28, 2010.

- e) Commodity risk – The Partnership is exposed to commodity risk related to the purchase of diesel fuel and the potential reduction in net income due to increases in the price of diesel. The impact of rising fuel costs has been mitigated by fuel surcharge programs in place with substantially all of the Partnership's customers and the effect of changes in fuel prices has generally been neutral to the Partnership's results in past years. Recovery of rising fuel costs, however, is impacted by the inherent lag in resetting surcharges due to contractual agreements with customers; price increase thresholds set in fuel surcharge programs; the fuel content percentage agreed on in the surcharge mechanism; and the timing of price increases compared to agreed upon reset periods. All of the above factors may vary from customer to customer as no standard contractual provision exists. The Partnership believes its fuel surcharge program is effective in recovering fuel cost increases over time; however, there is a lag in fuel price recovery

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that may result in quarterly shortfalls or surpluses depending on the price trend in any given period.

4. Capital assets

The cost and net book value of capital assets by major classification are as follows:

As at September 30, 2009

	Cost	Accumulated	Net
	\$	depreciation	\$
		\$	\$
Bulk hauling highway units (including highway tractors and trailers)	229,252	164,090	65,162
Land, buildings and yard improvements	43,891	25,512	18,379
Other equipment	49,579	44,486	5,093
	322,722	234,088	88,634

As at December 31, 2008

	Cost	Accumulated	Net
	\$	depreciation	\$
		\$	\$
Bulk hauling highway units (including highway tractors and trailers)	228,312	158,848	69,464
Land, buildings and yard improvements	43,096	24,668	18,428
Other equipment	50,421	45,605	4,816
	321,829	229,121	92,708

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5. Long-term debt

		September 30, 2009	December 31, 2008
		\$	\$
Due to TTSI	a)	18,667	37,333
Revolving credit facility	b)	42,799	26,056
		61,466	63,389
Less: current maturities of long-term debt		18,667	18,666
		<u>42,799</u>	<u>44,723</u>

a) The \$18,667 amount due to TTSI relates to the portion of TTSI's partnership interest that is equal to TTSI's Series A Senior note at September 30, 2009 (December 31, 2008 – \$37,333). The note is unsecured and interest is at a fixed rate of 7.29 percent per annum. Payments of \$18,667 are required annually until the note matures in full on August 20, 2010. The Senior note and revolving credit facility (note 5b) were retained by TTSI ("TTSI debt"). Under the terms of the partnership agreement, the amount due is callable by TTSI in the event that TTSI is required to repay any of the TTSI debt or when desired. The Partnership and TTSI have entered into an agreement whereby TTSI has committed not to call the TTSI debt except when required under the terms of the TTSI debt. Therefore, the repayment terms disclosed in note 5d) are equal to the terms of the senior note and revolving credit facility held by TTSI. In addition, the partnership agreement requires that a priority distribution be made to TTSI equal to the interest that TTSI pays on the TTSI debt. Given the terms of the partnership interest noted above, \$18,667 has been reclassified between partnership equity and long-term debt and distributions related to this partnership interest have been classified as interest expense on the consolidated statement of earnings. During the nine-month period ended September 30, 2009, the Partnership was charged interest of \$1,883 (2008- \$2,914) from TTSI.

b) As at September 30, 2009, the Partnership and TTSI maintained a joint \$60,000 revolving credit facility. This credit line is unsecured and interest rates are floating, generally from Canadian or U.S. prime plus 1.5 percent to Canadian or U.S. prime plus 3.0 percent, and are determined by grid pricing based on Trimac's ratio of debt to earnings before interest, taxes and depreciation. Trimac may elect to borrow in prime, LIBOR, Euro or bankers' acceptance instruments. The agreement is a 364-day revolver subject to renewal on July 28, 2010. Under the terms of the agreement, if the facility is not renewed, the loans are repayable one year after the termination date.

After taking into consideration letters of credit of \$4,927 outstanding as at September 30, 2009 (December 31, 2008 – \$5,902), unused lines of credit totalled \$12,274 at September 30, 2009 (December 31, 2008 – \$28,042).

c) The estimated fair value of the amount due to TTSI (note 5a) using the present value of expected cash outlays for principal and interest, based on an estimated rate for long-term debt with similar terms, was \$18,225 at September 30, 2009 and \$35,996 at December

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31, 2008. Floating-rate debt and the stated amount of outstanding principal is considered to be fair value.

- d) The terms of the loans described in a) and b) above include certain covenants requiring the Partnership to incur a minimum level of capital expenditures and to maintain specified debt service coverage, debt to earnings before interest, taxes, loss (gain) on sale of assets, depreciation and amortization (EBITDA) ratios and EBITDA to interest ratios (note 11). Amounts of long-term debt repayable in the following years ending December 31 are:

	\$
2009	-
2010	18,667
2011 ⁽¹⁾	42,799
	<u>61,466</u>

(1) Repayments in 2011 includes \$42,799 of revolving credit which would only become payable if the current agreement is not renewed. The current agreement expires in July 2010 (note 5b).

6. Related-party transactions

During the periods ended September 30, 2009 and September 30, 2008, the Partnership received administrative services provided by an associated partnership, Trimac Management Services Limited Partnership (TMSLP). The services are provided under a shared services agreement and amounted to \$8,518 for the nine-month period ended September 30, 2009 and \$2,576 for the quarter. During the nine-month period ended September 30, 2008 costs amounted to \$8,703 and \$2,890 for the quarter.

During the third quarter the Partnership purchased 22 trailers from a certain U.S. related party. Total consideration was \$716 paid in cash. Subsequent to September 30, 2009 the Partnership has purchased an additional 3 trailers for cash consideration of \$46. The transactions occurred at fair market value based on an external appraisal.

Due from related parties in current assets and due to related parties in current liabilities arise through the ordinary course of business, are owed from/to certain U.S. or Canadian related parties and are measured at the exchange amount. The balances are non-interest-bearing and paid monthly.

Trimac Holdings Ltd., the parent of TTSI, commonly controls or has significant influence over the above related parties.

7. Segmented information

Trimac provides bulk-trucking services in Canada and logistics services to the transportation industry in Canada and the United States. Trimac manages its bulk trucking operations in Canada on a geographic basis (western and eastern divisions). Logistics

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services are managed and reported separately. Revenue is all directly related to the activity in a segment. Expenses are either directly related to a segment or, in the case of corporate administration and interest expenses, are centrally managed and allocated across the segments. Trimac has no customers which account for more than 10 percent of total revenue. Inter segmental transactions are eliminated on consolidation.

Nine-month period ended September 30, 2009

	Total revenues \$	Earnings (loss) before depreciation, (gain) loss on sale of assets, interest and taxes \$	Depreciation and (gains) losses on asset disposals \$	Interest expense \$	Earnings (loss) before income taxes \$	Total assets (end of period) \$	Goodwill (end of period) \$
Western	112,395	14,880	9,090	1,892	3,898	82,862	1,243
Eastern	73,134	5,030	4,810	894	(674)	46,901	4,939
Other (a)	-	(4)	743	89	(836)	58	-
Total bulk trucking	185,529	19,906	14,643	2,875	2,388	129,821	6,182
Logistics	9,464	1,946	578	52	1,316	11,510	-
Total	194,993	21,852	15,221	2,927	3,704	141,331	6,182

Nine-month period ended September 30, 2008

	Total revenues \$	Earnings before depreciation, (gain) loss on sale of assets, interest and taxes \$	Depreciation and (gains) losses on asset disposals \$	Interest expense \$	Earnings (loss) before income taxes \$	Total assets (end of period) \$	Goodwill (end of period) \$
Western	149,858	22,699	9,723	2,281	10,695	90,319	1,113
Eastern	86,496	6,003	4,796	1,120	87	48,504	4,939
Other (a)	39	118	688	125	(695)	2,254	-
Total bulk trucking	236,393	28,820	15,207	3,526	10,087	141,077	6,052
Logistics	12,215	1,973	513	203	1,257	14,113	-
Total	248,608	30,793	15,720	3,729	11,344	155,190	6,052

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Three-month period ended September 30, 2009

	Total revenues \$	Earnings before depreciation, (gain) loss on sale of assets, interest and taxes \$	Depreciation and (gains) loss on asset disposals \$	Interest expense \$	Earnings before income taxes \$
Western	39,473	6,029	3,060	581	2,388
Eastern	24,999	2,021	1,646	283	92
Other (a)	-	544	320	31	193
Total bulk trucking	64,472	8,594	5,026	895	2,673
Logistics	3,076	526	142	2	382
Total	67,548	9,120	5,168	897	3,055

Three-month period ended September 30, 2008

	Total revenues \$	Earnings (loss) before depreciation, (gain) loss on sale of assets, interest and taxes \$	Depreciation and (gains) loss on asset disposals \$	Interest expense \$	Earnings (loss) before income taxes \$
Western	55,182	10,894	3,417	744	6,733
Eastern	29,894	2,950	1,564	359	1,027
Other (a)	10	(428)	126	52	(606)
Total bulk trucking	85,086	13,416	5,107	1,155	7,154
Logistics	3,750	994	177	108	709
Total	88,836	14,410	5,284	1,263	7,863

a) Includes certain unallocated or over-allocated corporate office and interest expenses net of corporate depreciation recoveries that are allocated to each division and recorded as corporate administrative or interest expense. Assets include cash and unallocated fixed assets used in corporate administrative functions.

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8. Commitments and contingencies

Trimac has operating leases for certain terminal facilities, office equipment and automobiles. Future rental payments under operating leases with initial or remaining non-cancellable lease terms in excess of one year at September 30, 2009 are:

	\$
2009	1,180
2010	2,596
2011	1,505
2012	801
2013	378
Thereafter	414
	<u>6,874</u>

The Partnership has guaranteed its portion of the rent and other obligations due under an office lease arrangement entered into by TMSLP during a previous year. The relationship between the Partnership and TMSLP is described in note 6. Trimac's guarantee of approximately 53 percent of the lease obligation represents its share of cost allocation under the shared service agreement.

The Partnership has outstanding commitments to purchase approximately \$3,192 of additional capital items, as part of its 2009 capital expenditure program.

Under the terms of a contract with a major customer, Trimac is committed to purchase a specified amount of fuel, determined by formula based on mileage driven for the customer, at a fixed price per litre that is reset annually. The contract expires on April 30, 2011.

Trimac is involved in various legal actions, which have occurred in the ordinary course of operations. Management is of the opinion that losses, if any, arising from such legal actions would not have a material effect on these financial statements.

9. Non-cash working capital

Net changes in non-cash working capital balances are as follows:

	Three months ended		Nine months ended	
	September 30		September 30	
	2009	2008	2009	2008
	\$	\$	\$	\$
Accounts receivable	(704)	1,464	2,432	(5,277)
Material and supplies	71	210	294	187
Prepaid expenses	891	1,411	1,080	656
Accounts payable and accrued liabilities	1,144	(2,539)	(1,128)	4,231
Income taxes recoverable/payable	105	222	(593)	299
Due from/to related parties	(1,142)	(2,093)	1,202	(1,360)
	<u>365</u>	<u>(1,325)</u>	<u>3,287</u>	<u>(1,264)</u>

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10. Seasonality

The Partnership's operations are subject to seasonal influences. Revenues and earnings in the first quarter and, to a lesser extent, in the fourth quarter are generally lower than in the second and third quarters due to lower construction-related volume, colder weather, higher operating costs, and lower operating efficiencies in colder weather. The second and third quarters are generally the most profitable quarters for Trimac, due primarily to increased hauling of construction-related products and increased economic activity from industries using raw materials that Trimac hauls, generating higher volumes and increased utilization of its equipment at lower operating costs. This seasonality is influenced by changes in business mix and weather that varies from time to time.

11. Capital disclosures

The Partnership's objectives when managing its capital are:

- To manage capital in a manner that will maintain compliance with its financial covenants;
- To maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business; and
- To maintain a financially sustainable and consistent level of distributions to the unitholders of the Fund.

The Partnership defines its capital as follows:

- Partnership equity; and
- Long-term debt, including current maturities

The Partnership's primary sources of capital are cash provided by operations after capital expenditures and distributions to partners and a \$60,000 364 day revolving credit facility. The credit facility is used to fund seasonal working capital and capital expenditures to the extent that current cash from operations is inadequate. Debt levels tend to be seasonal and historically have been repaid from operating cash flows by the end of each fiscal year. The Partnership also maintains a \$18,667 fixed rate note, which is required to be repaid in full in August 2010. Management expects to repay this debt in 2010 through the establishment of an additional credit facility in addition to the existing revolving credit facility (note 5b).

The lending agreements require the Partnership to incur a minimum of \$8,000 in annual capital expenditures and to maintain certain specified financial ratios; the most significant being:

Trimac Transportation Services Limited Partnership

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Financial ratio	Minimum covenant	Maximum covenant	Calculated ratio at September 30	
			2009	2008
Debt to EBITDA ^{(1) (4)}		2.75	2.10	1.76
Debt coverage ^{(2) (5)}	1.10		1.36	1.68
EBITDA to interest ⁽¹⁾⁽³⁾	3.50		7.59	8.03

- (1) EBITDA (defined here as total revenue less direct costs and selling and administrative costs) is not a recognized measure under GAAP, does not have a standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other issuers. Debt for the purposes of this ratio includes outstanding letters of credit.
- (2) Debt coverage for the purpose of this ratio is defined as EBITDA less current income tax divided by interest expense plus current maturities of long-term debt.
- (3) EBITDA for the purpose of this ratio is reduced by current income tax.
- (4) The maximum covenant for this ratio was increased from 2.50 to 2.75 during the third quarter and will continue at 2.75 until the quarter ended June 30, 2010; for the four quarters ending September 30, 2010 and thereafter the ratio will be reduced to 2.50.
- (5) The minimum covenant for this ratio was reduced from 1.25 to 1.10 during the third quarter and will continue at 1.10 until the quarter ended June 30, 2010; for the four quarters ending September 30, 2010 and thereafter the ratio will be increased to 1.50.

In management's opinion, the Partnership's current available borrowing capacity under its debt facilities, the establishment of a additional credit facility and its ongoing cash from operations will be sufficient to fund it's anticipated financial commitments.