



Report to Unitholders for the three-month period ended March 31, 2005

Management's Discussion and Analysis of Operating Results and Financial Position

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To TransForce Unitholders

TransForce Income Fund achieved significant year-over-year increases in revenue, EBITDA and cash flow for the first quarter ended March 31, 2005. The Fund also increased distributions for the fourth time in 12 months. Effective May 13, 2005, unitholders will receive a monthly distribution of \$0.10625 per trust unit.

Financial Results

TransForce increased revenue to \$320.8 million in the first quarter. The 42% growth from \$225.7 million a year earlier was driven by improved revenues from existing operations as well as the addition of revenues from acquired companies over the year. EBITDA (equivalent to operating income on TransForce's financial statements) was \$35.1 million for the quarter, up 48% from \$23.7 million in 2004.

Cash flow from operating activities for the quarter was \$30.6 million, compared with \$19.6 million in the first quarter of 2004.

The Fund reported net income \$0.24 diluted earnings per unit, an increase of 50% from \$0.16 diluted earnings per unit in the same period last year.

The Fund's focus on the day-to-day management of operations led to strong results despite the general slowdown and higher fuel and maintenance cost associated with the winter weather in the first quarter of the year.

In February the Fund announced the acquisition of Services Matrec, a leading waste management firm in Quebec with annual revenues of approximately \$125 million and similar operating fundamentals to TransForce's existing transportation businesses. The acquisition was completed on March 1 and Matrec was added to TransForce's expanded Specialized Services and Waste Management division.

Also in February, TransForce acquired Porter Trucking, a Calgary-based Less-than-Truckload and Truckload carrier with annual revenues of approximately \$33 million. The acquisition, completed on February 25, strengthens the longstanding relationship between Porter and the TST Overland Express Division and expands the division's presence in Western Canada.

In April, subsequent to the end of the quarter, TransForce announced the acquisition of Transport Gregoire Inc. With annual revenues of approximately \$40 million, Transport Gregoire operates primarily in the truckload segment and specializes in transborder trucking between Canada and the United States. Gregoire also provides bulk-hauling services to customers across Canada and the United States.

Distributions

The Fund declared total distributions of \$20.4 million or \$0.3075 per unit and maintained a conservative payout ratio of 83.7% for the quarter. The Fund also increased distributions from \$0.1025 to \$0.10625 per unit effective May 13, 2005 for unitholders of record as of April 29, 2005.

Outlook

TransForce is financially strong and has maintained a prudent surplus is Distributable Cash. This will enable the Fund to continue to take advantage of acquisition opportunities that may arise, to repay debt, or to increase distributions to Unitholders.

The Fund's operating subsidiaries will continue to focus on the effective day-to-day management of operations and on reducing its cost by improving the operational efficiency across all its business segments.

TransForce will continue to seek out opportunities to acquire profitable, well-managed companies that are leaders in their market. It will extend its activities across Canada and to build on its position as one of Canada's premier transport and logistics providers.

The Fund is committed to building value through growth for our Unitholders.

A handwritten signature in black ink, appearing to read 'Alain Bédard', with a stylized, cursive script.

Alain Bédard, CA, CMA
Chairman of the Board, President
and Chief Executive Officer

The following is TransForce Income Fund's management discussion and analysis (MD&A). Throughout this MD&A, the term "Fund" shall mean TransForce Income Fund, and shall include its wholly owned, independent operating subsidiaries.

This MD&A provides a comparison of the Fund's performance in its first quarter ended March 31, 2005 with the first quarter ended March 31, 2004 and it reviews the Fund's financial position as at March 31, 2005. It also includes discussion of the Fund's affairs up to April 19, 2005. This discussion should be read in conjunction with the consolidated financial statements and accompanying notes. All amounts disclosed are in Canadian dollars.

Prospective data, comments and analysis are also provided wherever appropriate to assist existing and new investors to see the business from a corporate management point of view. Such disclosure is subject to reasonable constraints of maintaining the confidentiality of certain information, which if published, would probably have an adverse impact on the competitive position of the Fund.

Additional information relating to the Fund can be found on its website at www.transforce.ca. The Fund's continuous disclosure materials, including its annual and quarterly MD&A, annual and quarterly financial statements, its 2004 Annual Report, Annual Information Form, Management Proxy Circular, Material Change Reports and the various press releases issued by the Fund are also available on its website or directly through the SEDAR system at www.sedar.com.

Forward-looking statements

The Fund may make statements in this report that reflect its current expectations regarding future results of operations, performance and achievements. These are "forward-looking" statements and reflect management's current beliefs. They are based on information currently available to management. Words such as "may", "could", "should", "would", "believe", "expect", "anticipate" and words and expressions of similar import are intended to identify these forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results and those presently anticipated or projected.

The Fund wishes to caution readers not to place undue reliance on any forward-looking statements, which speak only as of the date made. The following important factors could cause the Fund's actual financial performance to differ materially from that expressed in any forward-looking statement:

- (1) The highly competitive conditions that currently exist in the Fund's market and the Fund's ability to compete
- (2) The Fund's ability to recruit, train and retain qualified drivers
- (3) Increases in fuel prices, and the Fund's ability to recover these costs from its customers
- (4) Foreign currency fluctuations
- (5) The impact of environmental standards and regulations
- (6) Changes in governmental regulations applicable to the Fund's operations
- (7) Adverse weather conditions
- (8) Accidents
- (9) The market for used revenue equipment
- (10) Changes in interest rates
- (11) Cost of liability insurance coverage
- (12) Downturns in general economic conditions affecting the Fund and its customers

The foregoing list should not be construed as exhaustive, and the Fund disclaims any obligation subsequently to revise or update any previously made forward-looking statements. Unanticipated events are likely to occur. Readers should also refer to the section **Risks and Uncertainties** at the end of this MD&A for additional information on risk factors and other events that are not within the Fund's control. The Fund's future financial and operating results may fluctuate as a result of these and other risk factors.

Our business

Description

TransForce Income Fund is an unincorporated, open-ended, limited-purpose trust established under the laws of the province of Québec, pursuant to the declaration of trust dated July 30, 2002. The Fund qualifies as a unit trust and mutual fund trust within the meaning of the *Income Tax Act (Canada)*. It was created for the purpose of acquiring and holding certain investments.

The Fund is Canada's pre-eminent transportation, logistics and waste management services provider. Its operations extend throughout Canada, and it directly serves more urban centers than any other Canadian transport and logistics services provider.

Business strategy

The Fund's business strategy has three key elements:

- Building greater value for Unitholders
- Sustained profitable growth via the good management of acquired companies
- Increased efficiency and reduction of costs

Facilities

The Fund's head office is situated in Montréal, Québec. The Fund has approximately 236 Canadian terminals, with 69 in Ontario, 67 in Western Canada, 88 in Québec and 12 in the Atlantic Provinces. The Fund also has five terminals in the United States.

Customers

The Fund has a diverse customer base consisting of approximately 75,000 clients operating across a broad cross-section of industries, with no single client accounting for more than 10% of consolidated revenue. Some of the Fund's major customers include CP Ships, General Motors, Kruger, Staples, Ford, Smurfit Stone, Domtar and Orica. Because of its customer diversity, as well as the wide geographic scope of the Fund's service offering and the range of segments in which it operates, a downturn in the activities of individual customers or customers in a particular industry is not expected to have a material adverse impact on the operations of the Fund. In the last several years, the Fund concluded strategic partnerships with other transport companies in North America, in order to extend its service offering to customers across Canada and the United States.

Equipment

The Fund has the largest trucking fleet in Canada, with approximately 3,880 power units, 9,000 trailers and 1,635 owner operators as at March 31, 2005.

Seasonality of Operations

The activities conducted by the Fund are subject to general demand for freight transportation. Historically, demand has been rather stable with the exception of the winter months, in which demand slightly decreases, and the fall months, in which demand increases. Consequently, the Fund's activities in its second, third and fourth quarters are usually stronger than the first quarter. Furthermore, during the harsh winter months, fuel consumption and maintenance costs tend to rise.

Services

TransForce provides a comprehensive and unique combination of capabilities, resources and geographical coverage in both domestic and transborder markets. Its companies operate in four well-defined business segments:

- Less Than Truckload and Parcel Delivery;
- Truckload;
- Specialized Truckload;
- Specialized Services and Waste Management, which includes its ancillary transportation services businesses.

In each of these business segments, the Fund's independent subsidiaries are recognized for their professional expertise. Transforce offers Parcel Delivery service across Canada, Less than Truckload service across Canada and into the United States through its exclusive partnerships, Truckload service mainly transborder east of the Mississippi, Specialized Truckload service in both the domestic and transborder markets. Specialized Services includes ancillary transportation services businesses and was augmented with Waste Management through the acquisition of Services Matrec during the first quarter of 2005.

Critical accounting policies and estimates

There are no critical accounting estimates that, if changed, would materially affect the Fund's overall financial condition or results of operations.

Approval of the financial statements

The Fund's interim financial statements have been approved by its board of trustees upon recommendation of its audit committee prior to release.

Change in Accounting Policy

On January 19, 2005, the CICA issued Emerging Issues Committee Abstract 151 (EIC-151) dealing with the accounting for exchangeable securities issued by subsidiaries of income trusts. EIC-151 provides that specific conditions must be met in order to include exchangeable securities issued by subsidiaries of income trusts as part of unitholders' equity. If the specific conditions are not met, the exchangeable securities must be presented as non-controlling interest. EIC-151 must be applied retroactively, with restatement of prior periods, to all financial statements issued after January 19, 2005.

Notwithstanding both Management's and the Tracking shareholders' view that the Tracking Share Units (the exchangeable securities) have substantially the same rights as the Fund's trust units in terms of distributions, voting rights and residual equity, Management determined that the Fund did not meet the specific conditions contained in EIC-151. As such, the Fund retroactively re-classified the equity amounts related to the Tracking share Units of TFI Holdings Inc at December 31, 2004.

The Tracking shareholders amended the shareholder agreement resulting in the Fund meeting the conditions specified in EIC-151 for the classification of Tracking Share Units as part of unitholders' equity.

On March 8, 2005, the CICA revised Emerging Issues Committee Abstract 151 (Revised EIC-151) dealing with the accounting for exchangeable securities issued by subsidiaries of income trusts. Revised EIC-151 provides that specific conditions must be met in order to include exchangeable securities issued by subsidiaries of income trusts as part of unitholders' equity. If the specific conditions are not met, the exchangeable securities must be presented as non-controlling interest. Revised EIC-151 must be applied retroactively, with restatement of prior periods, to all financial statements issued for periods ending after June 30, 2005.

The Tracking shareholders again amended the shareholder agreement resulting in the Fund now meeting the conditions specified in Revised EIC-151 for the classification of Tracking Share Units as part of unitholders' equity effective as of March 31, 2005. As such, at March 31, 2005, the Fund's Tracking Share Units have been presented as part of unitholders' equity on the balance sheet and as a dividend on Tracking Share Units, thus reducing net income, on the income statement. Going forward in 2005, the Fund's Tracking Share Units will continue to be presented as part of unitholders' equity on the balance sheet but will no longer be presented as a dividend on Tracking Share Units on the income statement. Rather the dividend on Tracking Share Units will be presented as a reduction of the Fund's retained earnings.

Neither the application of EIC-151 or Revised EIC-151 has any impact on the Fund's diluted earnings per unit or on the Fund's distributable cash earned per unit.

Consolidated Highlights

Financial Results (Unaudited)

(In thousands of dollars, except per unit amounts)

	Three months ended March 31, 2005		Three months ended March 31, 2004	
Revenue	320,825	100.0%	225,715	100.0%
Earnings before interest, income taxes, depreciation and amortization (EBITDA) (1)	35,136	11.0%	23,706	10.5%
Depreciation and amortization expense	13,902	4.3%	9,589	4.2%
Interest expense	3,399	1.1%	2,636	1.2%
Loss (gain) on disposal of fixed assets	(458)	-0.1%	(25)	0.0%
Income before provision for income taxes and dividends on Tracking Share Units	18,293	5.7%	11,506	5.1%
Income taxes	1,471	0.5%	870	0.4%
Income before dividends on Tracking Share Units	16,822	5.2%	10,636	4.7%
Dividends on Tracking Share Units	2,943	0.9%	3,003	1.3%
Net income	13,879	4.3%	7,633	3.4%
Earnings per unit				
Basic	0.25		0.16	
Diluted	0.24		0.16	
EBITDA / Revenue ratio	11.0%		10.5%	

Note (1): Please refer to the *EBITDA* section for a definition of this non-GAAP measure

CONSOLIDATED FINANCIAL RESULTS THREE MONTHS ENDED MARCH 31, 2005

The financial highlights for the First Quarter of 2005 are:

- Increased revenues 42% to \$320.8 million
- Increased EBITDA⁽¹⁾ 48% to \$35.1 million
- Increased cash flow by 56% to \$30.6 million

For purposes of this MD&A, significant acquisitions concluded after Q1 2004 and in Q1 2005 will be defined as Highland Transport, Transpel, Porter Trucking, Services Matrec and one month of Canadian Freightways' operations due to its closing in late January of 2004.

The sharp increase in revenue year over year for the first quarter of 2005 is primarily due to significant acquisitions concluded since Q1 2004 and in Q1 2005. These acquisitions account for \$74.7 million of the total \$95.1 revenue increase over Q1 2004. The remaining difference is explained by organic growth of the Fund's other operating divisions and other acquisitions concluded after Q1 2004 and in Q1 2005.

The Fund's EBITDA⁽¹⁾ rose 48%, from \$23.7 million in Q1 2004 to \$35.1 million in Q1 2005. This increase is primarily attributable to the significant acquisitions concluded in the past year, which contributed \$4.6 million in EBITDA for Q1 2005. The remaining increase is due to other acquisitions concluded in 2004 and 2005 as well as the stronger performance of the Fund's other operating divisions.

Segmented results

Revenue by segment (Unaudited)

<i>(In thousands of dollars)</i>	<u>Three months ended</u> <u>March 31, 2005</u>		<u>Three months ended</u> <u>March 31, 2004</u>		<u>Variance</u>	
Revenue						
Less than Truckload & Parcel Delivery	148,073	46%	130,855	58%	17,218	13%
Truckload	74,970	24%	38,859	17%	36,111	93%
Specialized Truckload	49,150	15%	28,760	13%	20,390	71%
Specialized Services and Waste Management	48,632	15%	27,241	12%	21,391	79%
Total	320,825	100%	225,715	100%	95,110	42%

Less than Truckload & Parcel Delivery

Revenue from LTL and parcel activities remained the largest component of the Fund's revenue, at 46% of total revenue. This segment's revenue for Q1 2005 totaled \$148.1 million, compared with \$130.9 million for Q1 2004.

Truckload

This segment's revenue for Q1 2005 totaled \$75.0 million, compared to \$38.9 million for Q1 2004. The increase is primarily attributable to the acquisition of Highland Transport and other acquisitions concluded after Q1 2004 in Q1 2005.

Specialized Truckload

Revenue for Specialized Truckload increased to \$49.2 million for Q1 2005 from \$28.8 million for Q1 2004. The increase is mainly due to the acquisitions of Highland Transport and Transpel.

Specialized Services and Waste Management

Revenue from our Specialized Services and Waste Management division rose to \$48.6 million for Q1 2005 from \$27.2 million in for Q1 2004. The division's contribution to revenue increased to 15% of total revenues from 12% a year earlier.

Consolidated expenses

Operating expenses

<i>(In thousands of dollars)</i>	Three months ended March 31, 2005	Three months ended March 31, 2004	Variance	
Operating expenses	226,159	154,727	71,432	46%
Percentage of revenue	70%	69%		

The Fund's operating expenses are primarily composed of costs related to employees and sub-contractors, vehicle operation, insurance, road taxes and operating permits.

The operating expenses for the first quarter of 2005 were \$226.2 million, compared to \$154.7 million in Q1 2004. Significant acquisitions concluded post Q1 2004 and in Q1 2005 added \$57.9 million. The Fund has increased its operating expenses by one percentage point as a percentage of revenue for the quarter from a year earlier. This is mostly due to the acquisition of Highland Transport.

Fixed costs and general and administrative expenses

<i>(In thousands of dollars)</i>	Three months ended March 31, 2005	Three months ended March 31, 2004	Variance	
Fixed costs and general and administrative expenses	59,153	47,282	11,871	25%
Percentage of revenue	18%	21%		

The Fund's fixed costs and general and administrative expenses (FCGA) are primarily composed of costs related to employee salaries, rent, telecommunications, maintenance, security and other general expenses.

FCGA expenses for the first quarter 2005 totaled \$59.2 million, increasing by \$11.9 million over Q1 2004. Significant acquisitions concluded in the past year added \$12.1 million to the Fund's expenses in Q1 2005.

Operating ratio

The operating ratio (OR) is a non-GAAP financial measure which does not have any standardized meaning prescribed by GAAP. It is the sum of operating expenses, fixed costs, general and administrative expenses, long term incentive plan expense and depreciation less the gain or plus the loss on disposal of fixed assets divided by revenue. Although OR is not a recognized financial measure defined by GAAP, it is a widely recognized measure in the transportation industry, which we believe provides a comparable benchmark for evaluating the Fund's performance. Investors should also note that our presentation of OR may not be comparable to similarly titled measures by other companies or income trusts.

Operating Ratio (Unaudited)

	Three months ended March 31, 2005	Three months ended March 31, 2004
<i>(In thousands of dollars)</i>		
Operating expenses	226,159	154,727
Fixed costs, general and administrative expenses	59,153	47,282
Long term incentive plan expense	377	0
Depreciation and amortization	13,902	9,589
Loss (gain) on disposal of fixed assets	(\$458)	(\$25)
	299,133	211,573
Revenue	320,825	225,715
Operating ratio	93.24%	93.73%

For the first quarter of 2005, the operating ratio stood at 93.2%, down from 93.7% from Q1 2004. The improvement is mainly due to the stronger performance of the Fund's operating divisions.

EBITDA

While EBITDA (Earnings before interest, income taxes, depreciation and amortization) is not a recognized measure under Canadian generally acceptable accounting principles (GAAP), management believes it to be a useful supplemental measure. It is provided to assist in determining the ability of the Fund to generate cash from its operations. Investors should also note that our presentation of EBITDA may not be comparable to similarly titled measures by other companies or income trusts.

Reconciliation of Net Income to EBITDA (Unaudited)

	Three months ended March 31, 2005	Three months ended March 31, 2004
<i>(In thousands of dollars)</i>		
Income before dividends on Tracking Share Units	16,822	10,636
Depreciation and amortization	13,902	9,589
Interest on long-term debt	3,271	2,108
Other interest	128	528
Loss (gain) on disposal of fixed assets	(458)	(25)
Income taxes	1,471	870
EBITDA	35,136	23,706

EBITDA amounted to \$35.1 million or 11.0% of revenue for Q1 2005, compared with \$23.7 million or 10.5% of revenue in Q1 2004. The increase is mostly due to the stronger performance of the Fund's operating divisions.

Depreciation and Amortization

Depreciation of fixed assets rose to \$13.5 million in Q1 2005 from \$9.6 million in Q1 2004. The increase of \$3.9 million is mainly attributable to acquisitions concluded after Q1 2004 and up to the end of Q1 2005. The Fund also amortized \$0.4 million of Intangible Assets in Q1 2005.

Interest expense

Interest expense increased to \$3.4 million in Q1 2005 from \$2.6 million in Q1 2004. This increase is due to acquisitions concluded post Q1 2004 and in Q1 2005.

Income taxes

The income tax expense increased to \$1.5 million in Q1 2005 from \$0.9 million in Q1 2004.

Income before dividends on Tracking Share Units

The Fund's Income before dividends on Tracking Share Units for Q1 2005 increased by 58% to \$16.8 million, compared to \$10.6 million in Q1 2004. The significant improvement in the Fund's Income before dividends on Tracking Share Units is mainly due to the increased performance in most of its operating divisions as well as acquisitions concluded post Q1 2004 and in Q1 2005.

Liquidity and Capital Resources

Cash flow from operating activities

Cash flow from operating activities before the net change in non-cash working capital balances rose by 56% from Q1 2004. It amounted to \$30.6 million for Q1 2005, compared to \$19.6 million in Q1 2004. This increase is primarily due to the increase in the Fund's EBITDA.

Financing activities

Debt as at March 31, 2005

As at March 31, 2005, the Fund's long-term debt of \$215.3 million (including the short-term portion) is composed of the \$50.0 million term revolving facility with GE, \$48.8 million in capital leases, \$82.8 million in conditional sales contract and other debt and \$33.7 million for the CIT Financial Ltd five-year term loan concluded on July 19, 2004.

As at March 31, 2005, the Fund was drawing \$3.4 million on its \$80.0 million bank operating facility. The Fund also had approximately \$8.1 million in letters of credit outstanding against this facility. As such, approximately \$68.5 million was available to be drawn under this facility at March 31, 2005.

Distributable Cash

Distributable cash is not intended to be representative of cash flow or results of operations determined in accordance with generally accepted accounting principles in Canada ("GAAP") and does not have a standardized meaning prescribed by Canadian GAAP. Distributable cash may not be comparable to similar measures used by other companies or income trusts.

Reconciliation of EBITDA (a) to Distributable Cash

Periods ended March 31

(Unaudited)

(In thousands of dollars)

	Three months 2005	Three months 2004
Operating activity		
EBITDA(a)	35,136	23,706
Add (Deduct):		
Long term incentive plan expense	377	0
Interest	(3,399)	(2,636)
Cash taxes	(1,561)	(1,490)
Distributable cash from operations	30,553	19,580
Financing Activity		
Scheduled Debt Repayment (Note 1)	(3,354)	(2,102)
Distributable cash from financing activity	(3,354)	(2,102)
Investing Activity		
Capital expenditures (Note 3)	(3,842)	(3,755)
Proceeds from Disposals of Assets	3,275	3,960
Distributable cash from investing activity	(567)	205
Total distributable cash earned	26,632	17,683
Dividends declared to Tracking Share Units (Note 2)	(2,675)	(2,695)
Distributions declared	(17,720)	(14,023)
Cash Surplus	6,237	965
Regular Distribution per unit		
Tracking shareholders	0.1845	0.1710
Unitholders	0.3075	0.2850
Distributable cash earned per unit		
Tracking shareholders	0.2401	0.1875
Unitholders	0.3675	0.2884
Regular distribution as a % of cash earned	83.7%	98.8%

Note (a): Please refer to the *EBITDA* section for a definition of this non-GAAP measure

Note 1: Scheduled debt repayment excludes:

1) debt payments made on debt acquired as part of business acquisitions.

2) Term revolving facility of \$50 million with GE Equipment Financing due December 31, 2006 and single payment due on July 15, 2009 of \$27.9 million to CIT Financial Ltd. The total scheduled debt payable as at March 31, 2005 totals \$52.5 million (\$37.3 million 2004).

Note 2: Tracking Share Units distribution

Distributions declared to Tracking Share Units excludes a holdback portion which is due and payable to Tracking shareholders no later than March 31 of the following fiscal year in which the distribution was declared.

Note 3: Sustaining capex

2005 excludes \$1.0M the Fund has invested to date to relocate its Calgary terminal. The existing terminal has been sold and the closing of the sale will be completed in June 2005.

The Fund's policy is to make monthly cash distributions to Unitholders of record on the last business day of each month. The payment is made on the 15th day of the following month. Since its inception on September 30, 2002, the Fund has made monthly cash distributions per unit starting in October 2002 to April 2004 of \$0.095, from May 2004 to September 2004 of \$0.0975, from October 2004 to November 2004 of \$0.10 and from December 2004 to April 18, 2005 of \$0.1025.

During the first quarter of 2005, the Fund declared total distributions to Unitholders and Tracking Shareholders of \$20.6 million. A total of \$17.7 million was declared to the Unitholders, while the economic equivalent of \$2.9 million was declared as dividends to shareholders holding Tracking Share Units.

Investing activities

Capital expenditures for Q1 2005 amounted to \$4.8 million and include approximately \$1.4 million for rolling stock, and \$3.4 million for technology and facility improvements. The proceeds of the disposal of fixed assets generated \$3.3 million in Q1 2005. During Q1 2005, the Fund acquired fixed assets in the amount of \$1.0 million under capital leases and conditional sales contracts (Q1 2004 – \$ 1.7 million).

The Fund used \$43.0 million for business acquisitions in Q1 2005. Please refer to note 4 of the interim consolidated financial statements for details on the cost of the acquisitions.

The Fund's investing activities therefore used total cash flow of \$44.6 million in Q1 2005, compared to \$50.5 million in Q1 2004.

Financial Position

Financial Position - Highlights (unaudited)

	March 31 2005	December 31 2004	% change
<hr/>			
(In thousands of dollars)			
Total assets	747,375	627,557	19.1%
Total long-term debt (including the current portion of long-term debt)	215,250	175,129	22.9%
Unitholders' equity (including Tracking Share Units)	341,667	289,638	18.0%
<hr/>			
Long-Term Debt to equity ratio	63.00%	60.46%	
Long-Term Debt to Total Capitalization	38.65%	37.68%	

The Fund's long-term debt to equity and long-term debt to capitalization ratios have increased, reflecting the acquisitions concluded in the three-month period ended March 31, 2005. These ratios also reflect the Fund's Bought Deal equity financing concluded in March 2005.

Long-term incentive plan

Pursuant to the long-term incentive plan (the Plan) of the Fund established on September 17, 2002, trust units can be offered to executive officers of the Fund.

Based upon the Fund's financial performance benchmarked against certain distributable cash threshold amounts per trust unit, trust units will be purchased on the open market on behalf of the plan participants and will be held by a trustee until the rights vest (Capitalized Units). Distributions received on Capitalized Units will be converted into Additional Units under the Plan. Vesting of Capitalized Units will occur on the basis of one-third of the total grant per year with the first portion vesting at the time of the granting. Vesting of Additional Units will occur immediately at the time of the granting. The reference period for allocations under the Plan shall be from October 1 to September 30 of each year.

During Q1 2005, 161,203 trust units were purchased on the open market to be granted in Q4 2005 for the October 1, 2004 to September 30, 2005 reference period. The average cost per unit of the trust units purchased was \$17.22 for a total cost of \$2.8 million. As at March 31, 2005, no grants have been made of these trust units and no compensation expense has been recorded or is required for the period ended March 31, 2005.

The Fund recorded a compensation expense of \$0.4 million in Q1 2005 (nil in 2004) related to the trust units granted in Q4 2004 for the October 1, 2003 to September 30, 2004 reference period.

Retained Earnings

Inherent to the income trust model, distributions to Unitholders are made based on distributable cash, which ignores non-cash expenses (i.e. depreciation and amortization). This differs from the definition of net earnings, which includes non-cash expenses.

Retained earnings decreased by \$3.9 million in the three-month period ended March 31, 2005, compared to December 2004 as stated in the consolidated balance sheet. Net income for the three-month period ended March 31, 2005 is \$13.8 million and Fund the declared distributions of \$17.7 million in the same period.

Outstanding Unit Data

As at March 31, 2005 a total of 74,459,191 trust units combined with Tracking Share Units were outstanding, compared to 70,959,191 as at December 31, 2004. The following table provides the changes:

	Number	Amount (unaudited) (In thousands of \$)
Trust Units of the Fund:		
Balance as at December 31, 2004	55,208,488	227,569
Issuance of trust units	3,500,000	58,270
Conversion of Tracking Share Units of TFI Holdings Inc. into Trust Units	1,875,369	2,734
Balance as at March 31, 2005	60,583,857	288,573
Tracking Share Units of TFI Holdings Inc.:		
Balance as at December 31, 2004	15,750,703	22,958
Conversion of Tracking Share Units into Trust Units of the Fund	(1,875,369)	(2,734)
Balance as at March 31, 2005	13,875,334	20,224
Balance as at March 31, 2005	74,459,191	308,797

Contractual Obligations

<i>(unaudited)</i> (In thousands of dollars)	<i>Payments Due by Period</i>				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Long-Term Debt	50,000	-	50,000	-	-
Capital Lease Obligations	48,784	13,074	21,415	14,295	-
Other Long Term Obligations	116,466	27,987	32,551	55,928	-
Total Contractual Obligations	215,250	41,061	103,966	70,223	-

Commitments and Off-balance sheet arrangements

<i>(unaudited)</i> <i>(In thousands of dollars)</i>	<i>Payments Due by Period</i>				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Operating Leases – Rolling Stock	70,215	26,570	35,464	7,771	410
Operating Leases – Real Estate & Others	82,823	14,500	23,889	16,414	28,020
Total Off-balance sheet Obligations	153,038	41,070	59,353	24,185	28,430

As part of the Fund's decision to relocate and modernize its Canpar sorting facility in Toronto, it has signed an Offer to Lease in the first quarter with the owner of the land who will also construct the building that will house the new facility.

The Fund's commitment is for a 20-year lease plus two options to renew of five years each at an initial annual rent of \$1,600,000 plus operating expenses for a 170,000 square foot facility.

Legal Proceedings

The Fund is involved in litigation arising from the ordinary course of business, primarily involving claims for bodily injury and property damage. It is not feasible to predict or determine the outcome of these or similar proceedings. However, we believe the ultimate recovery or liability, if any, resulting from such litigation, individually or in total, would not materially adversely affect the Fund's financial condition or results of operations and, if necessary, have been provided for in the financial statements.

Summary of eight most recently completed consolidated quarterly results

<i>(unaudited)</i> <i>(\$ Million, except per share amounts)</i>	Q1 05	Q4 04	Q3 04	Q2 04	Q1 04	Q4 03	Q3 03	Q2 03
Revenue	320.8	339.2	278.4	276.9	225.7	192.6	186.4	192.2
EBITDA⁽¹⁾	35.1	42.5	40.1	35.0	23.7	26.1	24.0	22.5
Net income	13.9	20.2	20.2	16.6	7.6	10.7	10.2	8.3
Earnings per unit								
Basic	0.25	0.38	0.40	0.32	0.16	0.22	0.21	0.17
Diluted	0.24	0.35	0.35	0.29	0.16	0.22	0.10	0.17

(1) Please refer to the EBITDA section for a definition of this non-GAAP measure

Related party transactions

The Fund leases a property from Saplin Holdings, a limited partnership related to Jolina Capital Inc. (important stakeholder of the Fund). Under this agreement, the Fund has paid rent to Saplin Holdings in the amount of approximately \$0.5 million in the three-month period ended March 31, 2005 (\$0.3 million Q1 2004).

Financial instruments

The Fund has entered into foreign exchange forward contracts, average rate forward exchange contracts and foreign exchange collars for the sale of US dollars in exchange for Canadian dollars that expire on various dates through December 2006. As at March 31, 2005, the notional amount of these contracts was US\$39,300,000 (Dec 2004 - US\$33,200,000), and the average exchange rate of the contracts was C\$1.2707 (Dec 2004 - C\$1.2965).

The fair value of the foreign exchange contracts generally reflects the estimated amount that the Fund would receive from settlements of favorable contracts, or which it would be required to pay to cancel unfavorable contracts at the balance sheet date. As at March 31, 2005, the fair market value of the foreign exchange contracts approximated \$2,200,000 (Dec 2004 \$3,000,000).

The Fund has entered into interest rate swap contracts in order to hedge its variable-rate debt. As at March 31, 2005, the Fund had interest rate swap contracts totaling approximately \$50,000,000 million at an average contracted banker's acceptance rate of 3.56% that expire on various dates through March 2006. The fair market value of these contracts approximates their carrying value.

Risks and uncertainties

Economic Conditions

Demand for freight transport is closely linked to the state of the overall economy. Consequently, a change in general economic growth could affect the Fund's performance. However, the Fund serves an extensive customer base, covers a broad geographic area and participates in four distinct transport sectors. These factors may mitigate the effects of an economic downturn.

Competition

Deregulation in the transport industry has increased the number of competitors, as well as competition with respect to pricing. Competition is strong within the Canadian market. In addition, the Fund faces competition from other transporters in the United States.

Regulation

Notwithstanding that the transportation industry is largely deregulated, carriers must obtain licenses issued by provincial transport boards in order to carry goods inter-provincially or to transport goods within any province. Licensing from United States regulatory authorities is also required for the transportation of goods between Canada and the United States. Any change in these regulations could have an adverse impact on the scope of the Fund's activities.

General Operating Environment

The Fund is subject to changes in its general operating environment. The elements affecting its environment are the cost of liability insurance, the market for used revenue equipment, adverse weather conditions and accidents.

Fuel Prices

The Fund is exposed to variations in the price of fuel. As at March 31, 2005, no material term contracts were in effect for this purpose since the Fund is generally able to recover the majority of added fuel costs through surcharges to its customers. The price of fuel represents approximately 8% of the Fund's annual revenue. The Fund's fuel surcharge to its customers accounts for approximately 7% of its total revenue.

Currency Fluctuations

In the normal course of business, the Fund is subject to fluctuations in the value of the US dollar. The Fund manages this risk through the use of foreign exchange forward contracts. Please refer to the *Financial Instruments* section for more details on the currency fluctuation.

The Fund estimates its net US denominated cash flow at approximately \$100.0 million dollars at March 31, 2005. A change of \$0.01 cent in the exchange rate would impact the Fund's results by approximately \$1,000,000.

Interest Rates Fluctuations

The Fund is subject to fluctuations in interest rates. The Fund manages its interest rate exposure through interest swap contracts. Please refer to the *Financial Instruments* section for more details on the interest rate fluctuations. In order to reduce the effect of changes in interest rates, the Fund has also maintained approximately 35% of its long-term debt in variable-rate instruments and the remaining 65% at fixed rates.

The Fund had \$74.4 million of long-term debt at variable rates as at March 31, 2005. A 1% change in interest rates would impact the Fund's earnings before taxes by approximately \$744,000.

Credit

The Fund sells services to clients primarily in Canada and the United States. The concentration of credit risk to which the Fund is exposed is limited because of the significant number of customers that make up its client base and their distribution across different geographic areas. As at March 31, 2005, no client accounted for more than 10% of total accounts receivable.

Loan Default

The Fund's current credit facilities and financing agreement impose certain covenant requirements. There is a risk that such loans may go into default if there is a breach in complying with such covenants and obligations, which could result in TFI Operating Trust being restricted from paying distributions to the Fund (and consequently the Fund being unable to pay distributions to Unitholders) and the lenders realizing on their security and causing the Fund to lose some or all of its investment. As at March 31, 2005, the Fund is in compliance with all of its debt covenants and obligations.

Key Personnel

The future success of the Fund will be based in large part on the quality of its management and key personnel. The loss of key personnel could have a negative effect on the Fund. There can be no assurance that the Fund will be able to retain its current personnel or, in the event of their departure, to attract new personnel of equal quality.

Recently issued accounting policies

Hedge Accounting

The Fund formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives to forecasted transactions. The Fund also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The Fund purchases foreign exchange forward contracts to hedge anticipated US dollar denominated revenue. Foreign exchange translation gains and losses, together with any premium or discount, on derivative financial instruments used to hedge anticipated US dollar denominated revenue, are recognized in the period the corresponding revenue is generated.

The Fund also purchases interest rate swap contracts to hedge its variable-rate long-term debt. Gains and losses, together with any premium or discount, on derivative financial instruments used to hedge against its variable-rate long term debt are recognized as an adjustment of the Fund's interest expense in the period these occur.

Regulations

The Fund has procedures in place and is constantly adjusting its transportation operations to comply with all regulations in force in Canada and the United States. The compliance and safety of its operations includes, but is not limited to, hours of work of its drivers, maintenance and inspection of its vehicles, vehicle allowable load and size limits, and the securing of loads.

Human Resources

With our recent acquisitions, the Fund has approximately 10,450 employees (including 1,635 owner operators) working all across Canada in our different business segments. A number of these employees are subject to collective agreements. The Fund considers that it has a very low turnover rate among its employees compared to industry standards, and that employee relations are good.

Subsequent events

On April 19, 2005, the Fund announced an increase to its regular monthly distribution to \$0.10625 per trust unit from \$0.1025 per unit. The increase will be effective for the distribution to be paid May 13, 2005 to trust Unitholders or tracking shareholders of record at the close of business on April 29, 2005.

On April 20, 2005, the Fund announced that it has signed a letter of intent to acquire Groupe Grégoire Inc. of Plessisville, Quebec.

CONSOLIDATED STATEMENTS OF INCOME (unaudited) (In thousands of dollars, except per unit amounts)	Three months ended March 31, 2005	Three months ended March 31, 2004
Revenues	320,825	225,715
Expenses		
Operating expenses	226,159	154,727
Fixed costs, general and administrative expenses	59,153	47,282
Long-term incentive plan	377	-
Operating income before the following:	35,136	23,706
Depreciation of fixed assets	13,547	9,589
Amortization of Intangible assets	355	-
Interest on long-term debt	3,271	2,108
Other interest	128	528
Gain on disposal of fixed assets	(458)	(25)
Income before provision for income taxes and dividends on Tracking Share Units	18,293	11,506
Provision for income taxes		
Current	1,561	1,490
Future	(90)	(620)
	1,471	870
Income before dividends on Tracking Share Units	16,822	10,636
Dividends on Tracking Share Units	2,943	3,003
Net income	13,879	7,633
Basic earnings per unit	0.25	0.16
Diluted earnings per unit	0.24	0.16
Outstanding weighted average number of		
Units	56,006,631	48,729,590
Tracking shares	15,000,422	15,762,934
Total	71,007,053	64,492,524
Number of Trust units of the Fund	60,583,857	51,207,488
Number of Tracking shares	13,875,334	15,751,703
Total	74,459,191	66,959,191

CONSOLIDATED BALANCE SHEETS
(in thousands of dollars)

	As at March 31, 2005 (unaudited)	As at December 31, 2004 (audited)
ASSETS		
Current assets		
Cash and cash equivalent	-	24,179
Accounts receivable	221,545	188,226
Income taxes receivable	977	-
Inventories	4,682	3,488
Prepaid expenses	17,477	11,514
	<hr/> 244,681	<hr/> 227,407
Fixed assets	352,728	277,694
Goodwill	131,617	115,681
Intangible assets	9,406	5,831
Other assets	8,943	944
	<hr/> 747,375	<hr/> 627,557
LIABILITIES AND UNITHOLDERS' EQUITY		
Current liabilities		
Bank indebtedness	3,388	-
Accounts payable and accrued liabilities	169,891	146,152
Cash distributions payable to unitholders	6,210	8,695
Dividends payable on Tracking Share Units of TFI Holdings Inc.	2,649	3,016
Income taxes payable	-	231
Current portion of long-term debt	41,061	28,491
	<hr/> 223,199	<hr/> 186,585
Long-term debt	174,189	146,638
Non-controlling interest	1,672	-
Asset retirement obligations	2,951	-
Future income taxes	3,697	4,696
	<hr/>	<hr/>
Tracking Shares Units	-	22,958
Unitholders' equity		
Capital contributions	308,797	227,569
Contributed surplus	513	436
Units held by the fund for long-term incentive plan	(5,277)	(2,800)
Retained earnings	37,634	41,475
	<hr/> 341,667	<hr/> 266,680
Unitholder's equity and Tracking Share Units	341,667	289,638
	<hr/> 747,375	<hr/> 627,557

**CONSOLIDATED STATEMENTS OF RETAINED
EARNINGS**
(unaudited)
(in thousands of dollars)

	Three months ended March 31, 2005	Three months ended March 31, 2004
Retained earnings, beginning of period	41,475	40,108
Net income for the period	13,879	7,633
Distributions to unitholders	(17,720)	(14,023)
Retained earnings, end of period	37,634	33,718

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands of dollars)

Three months ended
March 31, 2005

Three months ended
March 31, 2004

CASH FLOW FROM OPERATING ACTIVITIES

Net income for the period	13,879	7,633
Non-cash items:		
Depreciation of fixed assets	13,547	9,589
Amortization of intangible assets	355	-
Non-controlling interest	7	-
Equity interest	28	-
Asset retirement obligations	12	-
Dividends declared on Tracking Share Units	2,943	3,003
Long-term incentive plan expense	377	-
Future income taxes	(90)	(620)
Gain on disposal of fixed assets	(458)	(25)
	<hr/> 30,600	<hr/> 19,580
Net change in non-cash working capital balances related to operations	(15,306)	4,901
	<hr/> 15,294	<hr/> 24,481

CASH FLOW FROM FINANCING ACTIVITIES

Increase in bank advances and overdraft	3,388	6,041
Increase in long-term debt	1,000	64,900
Repayment of long-term debt	(31,276)	(59,579)
Cash distributions paid to unitholders	(20,205)	(13,735)
Dividends paid on Tracking Share Units	(3,310)	(2,696)
Purchase of units held by the fund for long-term incentive plan	(2,777)	-
Issuance of trust units	58,270	31,050
	<hr/> 5,090	<hr/> 25,981

CASH FLOW FROM INVESTING ACTIVITIES

Additions to fixed assets	(4,842)	(3,755)
Proceeds from disposal of fixed assets	3,275	3,960
Proceeds from disposal of fixed assets related to business acquisition	-	20,000
Business acquisitions (including bank advances net of cash)	(42,993)	(72,877)
Other assets, net	(3)	2,210
	<hr/> (44,563)	<hr/> (50,462)
Net change in cash and cash equivalent during the period	(24,179)	-
Cash and cash equivalent, beginning of the period	24,179	-
Cash and cash equivalent, end of the period	<hr/> -	<hr/> -

Supplemental cash flow information:

Cash paid during the period for:		
Interest	3,037	1,945
Income taxes	2,769	2,037

TRANSFORCE INCOME FUND

Notes to unaudited Interim Financial Statements

All tabular amounts are expressed in thousands of dollars, except per unit/share amounts

1. ORGANIZATION

TransForce Income Fund is an unincorporated, open-ended, limited-purpose fund trust established under the laws of Québec pursuant to the Declaration of Trust dated July 30, 2002. The Fund qualifies as a unit trust and mutual fund trust within the meaning of the *Income Tax Act (Canada)*. It was created for the purpose of acquiring and holding certain investments.

TransForce Income Fund, through its wholly owned, independent operating subsidiaries (the "Fund"), operates in four well-defined business segments: Less than Truckload (LTL) and Parcel Delivery, Truckload (TL), Specialized Truckload, and Specialized Services and Waste Management.

2. BASIS OF PRESENTATION

These unaudited interim consolidated financial statements of the Fund have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and contain the financial position, results of operations and cash flows of the Fund. The unaudited interim consolidated financial statements do not include all the information and notes required according to generally accepted accounting principles for annual financial statements, and should therefore be read in conjunction with the audited consolidated financial statements of the Fund in the annual report for the fiscal period ended December 31, 2004.

3. NEW ACCOUNTING POLICIES

Hedge Accounting

The Fund formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives to forecasted transactions. The Fund also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The Fund purchases foreign exchange forward contracts to hedge anticipated US dollar denominated revenue. Foreign exchange translation gains and losses, together with any premium or discount on derivative financial instruments used to hedge anticipated US dollar denominated revenue are recognized in the period the corresponding revenue is generated.

The Fund also purchases interest rate swap contracts to hedge its variable-rate long-term debt. Gains and losses, together with any premium or discount, on derivative financial instruments used to hedge against its variable-rate long term debt are recognized as an adjustment of the Fund's interest expense in the period these occur.

4. BUSINESS ACQUISITIONS

During the three-month period ended March 31, 2005, the Fund acquired all of the shares of Transport Trans-Rive on January 7, 2005, Porter Trucking on February 24, 2005 and Services Matrec on March 1, 2005.

These acquisitions were recorded under the purchase method and the earnings of the companies acquired were consolidated from the date of their acquisition. The preliminary purchase price allocation is as follows:

<i>(In thousands of dollars)</i>	Matrec	Other acquisitions	Three months ended March 31, 2005	Three months ended March 31, 2004
Assets:				
Cash	-	-	-	2,759
Non-cash working capital	354	2,284	2,638	22,576
Fixed assets	80,858	4,647	85,505	69,452
Other Assets	8,039	-	8,039	-
Intangible assets	2,930	1,000	3,930	-
Goodwill	9,168	6,768	15,936	2,635
Future income taxes	1,011	-	1,011	-
	<u>102,360</u>	<u>14,699</u>	<u>117,059</u>	<u>97,422</u>
Liabilities:				
Bank advances and overdraft	13,209	1,173	14,382	1,949
Long-term debt	65,734	3,626	69,360	19,932
Non-controlling interest	1,665	-	1,665	-
Asset retirement obligations	2,939	-	2,939	-
Future income taxes	-	102	102	854
	<u>83,547</u>	<u>4,901</u>	<u>88,448</u>	<u>22,735</u>
Net assets	<u>18,813</u>	<u>9,798</u>	<u>28,611</u>	<u>74,687</u>
Consideration:				
Cash	18,813	9,798	28,611	73,687
Due to vendors	-	-	-	1,000
	<u>18,813</u>	<u>9,798</u>	<u>28,611</u>	<u>74,687</u>

5. FIXED ASSETS

<i>(In thousands of dollars)</i>	As at March 31, 2005		As at December 31, 2004	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
Land	46,865	-	40,671	-
Buildings	69,310	(14,070)	53,696	(13,596)
Rolling stock	309,845	(130,656)	286,088	(127,133)
Furniture, machinery and hardware/software	116,031	(58,366)	78,257	(51,939)
Leasehold improvements	13,665	(5,504)	11,125	(5,083)
Construction in progress	5,608	-	5,608	-
	561,324	(208,596)	475,445	(197,751)
Accumulated depreciation	(208,596)		(197,751)	
Net carrying value	352,728		277,694	

During Q1 2005, the Fund acquired fixed assets in the amount of \$1.0 million under capital leases and conditional sales contracts (Q1 2004 – \$ 1.7 million).

6. GOODWILL

(In thousands of dollars)

	L.T.L and parcel delivery	T.L.	Specialized T.L.	Specialized Services and Waste Management	Total
Balance as at December 31, 2004	84,788	16,132	12,285	2,476	115,681
Business acquisitions Q1 2005	6,768	-	-	9,168	15,936
Balance as at March 31, 2005	91,556	16,132	12,285	11,644	131,617

7. INTANGIBLE ASSETS

<i>(In thousands of dollars)</i>	As at March 31, 2005		As at December 31, 2004	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Customer relationships	3,775	(320)	2,775	(250)
Customer contracts	3,004	(584)	3,004	(334)
Licenses and Permits	2,930	(18)	-	-
Trademarks	700	(81)	700	(64)
	10,409	(1,003)	6,479	(648)
Accumulated depreciation	(1,003)		(648)	
Net carrying value	9,406		5,831	

8. SEGMENTED INFORMATION

The Fund operates within the trucking and logistics industry in Canada and the United States in the following four reportable segments: Less than truckload and parcel delivery, Truckload, Specialized Truckload, Specialized Services and Waste Management. The Fund's revenue in each of these segments was as follows:

<i>(In thousands of dollars)</i>	Three months ended March 31, 2005	Three months ended March 31, 2004
Less than truckload and parcel delivery	148,073	130,855
Truckload	74,970	38,859
Specialized Truckload	49,150	28,760
Specialized Services and Waste Management	48,632	27,241
	<u>320,825</u>	<u>225,715</u>

The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. The Fund measures the performance of each segment by relying on revenue by segment and through the use of key operational performance indicators.

The principal assets of the Fund are used in the current operations of the four above-mentioned segments. For this reason, segmented asset information is not presented.

The Fund's revenue by geographic segment is as follows:

<i>(in thousands of dollars)</i>	Three months Ended March 31, 2005	Three months Ended March 31, 2004
Canada	210,424	155,505
United States	110,401	70,210
	<u>320,825</u>	<u>225,715</u>

Revenue allocated to the United States includes transborder revenue between Canada and the United States. Fixed assets and goodwill are mostly located in Canada.

9. RELATED PARTY TRANSACTIONS

The Fund leases a property from Saplin Holdings, a limited partnership related to Jolina Capital Inc. (important stakeholder of the Fund). Under this agreement, the Fund has paid rent to Saplin Holdings in the amount of approximately \$0.5 million in the three-month period ended March 31, 2005 (\$0.3 million Q1 2004).

10. EMPLOYEE PENSION PLANS

The Fund provides defined benefit plans to eligible employees. Pension obligations are affected by factors such as interest rates, adjustments arising from plan amendments, changes in assumptions and experience gains or losses. The costs are based on a measurement of the pension plan obligations and the pension fund assets.

Total benefit costs for the three-month periods ended March 31 are as follows:

<i>(in thousands of dollars)</i>	2005	2004
Pension plans	\$238	\$200

11. LONG TERM INCENTIVE PLAN

Pursuant to the long-term incentive plan (the Plan) of the Fund established on September 17, 2002, trust units can be offered to executive officers of the Fund.

Based upon the Fund's financial performance benchmarked against certain distributable cash threshold amounts per trust unit, trust units will be purchased on the open market on behalf of the plan participants and will be held by a trustee until the rights vest (Capitalized Units). Distributions received on Capitalized Units will be converted into Additional Units under the Plan. Vesting of Capitalized Units will occur on the basis of one-third of the total grant per year with the first portion vesting at the time of the granting. Vesting of Additional Units will occur immediately at the time of the granting. The reference period for allocations under the Plan shall be from October 1 to September 30 of each year.

During Q1 2005, 161,203 (nil in Q1 2004) trust units were purchased on the open market to be granted in Q4 2005 for the October 1, 2004 to September 30, 2005 reference period. The average cost per unit of the trust units purchased was \$17.22 for a total cost of \$2.8 million. As at March 31, 2005, no grants have been made of these trust units and no compensation expense has been recorded or is required for the period ended March 31, 2005.

The Fund recorded a compensation expense of \$0.4 million in Q1 2005 (nil in Q1 2004) related to the trust units granted on December 13, 2004 for the October 1, 2003 to September 30, 2004 reference period.

12. SUBSEQUENT EVENT

On April 19, 2005, the Fund announced an increase to its regular monthly distribution to \$0.10625 per trust unit from \$0.1025 per unit. The increase will be effective for the distribution to be paid May 13, 2005 to trust Unitholders or Tracking shareholders of record at the close of business on April 29, 2005.

On April 20, 2005, the Fund announced that it has signed a letter of intent to acquire Groupe Grégoire Inc. of Plessisville, Quebec.

13. COMPARATIVE FIGURES

Certain comparative figures for the three-month ended March 31, 2004 have been reclassified to conform to the financial statement presentation adopted in the current period.

Certification of Interim Filings

I, Salvatore Vitale, Chief Financial Officer of TransForce Income Fund, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) of Transforce Income Fund for the period ending March 31, 2005;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings.

Date: April 19, 2005



Salvatore Vitale, CA
Chief Financial Officer

Certification of Interim Filings

I, Alain Bédard, Chairman of the Board, President and Chief Executive Officer of TransForce Income Fund, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) of Transforce Income Fund for the period ending March 31, 2005;
2. Based on my knowledge, the interim I filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings.

Date: April 19, 2005



Alain Bédard, CA. CMA
Chairman of the Board, President
and Chief Executive Officer

MARKET FACTS

Toronto Stock Exchange Symbol:	TIF.UN
Average Volume per day within the first quarter	208,962
Unit Price for the first quarter	
	High 18.50
	Low 14.28
Close March 31, 2005	16.25
Distribution per unit, per month	\$0.1025

ANALYST COVERAGE

Martin Goulet, National Bank Financial
Nav Malik, Scotia Capital
Walter Spracklin, RBC Securities
Aleem Israel, Sprott Securities
Wui Seng Kon, Wellington West Capital Markets
Cameron Renkas, BMO Nesbitt Burns

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