MATERIAL CHANGE REPORT

1. Reporting Issuer

TransForce Income Fund
6600 Chemin St-François
Montreal, QC H4S 1B7

2. Date of Material Change

August 25, 2003.

3. Press Release

TransForce Income Fund (the "**Fund**") issued a press release at Montreal, Quebec with respect to the material change on August 26, 2003. A copy of the press release is attached.

4. Summary of Material Change

On August 25, 2003, the Fund's bid to purchase substantially all the assets of Canadian Freightways Limited and certain of its subsidiaries was accepted.

5. Full Description of Material Change

On August 25, 2003, the Fund's bid, made by TFI Transport 7 L.P. (the "**Buyer**"), a limited partnership indirectly owned by the Fund, to purchase substantially all the assets of Canadian Freightways Limited and certain of its subsidiaries (collectively, "**Canadian Freightways**") was accepted by Canadian Freightways' parent company, Consolidated Freightways Corporation, and was approved by the United States Bankruptcy Court in California. Court approval was necessary due to Consolidated Freightways Corporation being under Chapter 11 proceedings in the United States. Canadian Freightways itself is not under bankruptcy protection in the U.S. or in Canada.

The business of Canadian Freightways comprises intercity freight transport, dedicated contract carriage, logistics and supply chain management, customs brokerage, freight forwarding and warehousing services.

The purchase price is CDN $69.6 million (subject to adjustment) plus assumption of loans and credit facilities of approximately CDN $15.0 million. In addition, the Buyer will be assuming substantially all liabilities of Canadian Freightways related to the business as a going concern at closing. The acquisition is expected to close before the end of this year. The Buyer's obligation to complete the transaction is subject to conditions precedent, including obtaining all requisite regulatory approvals and the absence of a material adverse effect on the purchased assets, as well as other usual or accessory conditions precedent, such as the accuracy of representations and satisfaction of covenants at closing time, the delivery of closing documentation and the absence of legal proceedings affecting the transaction.

The combined revenues of Canadian Freightways for its last fiscal year were approximately CDN $236 million.

6. Reliance on Section 75(3)

Not applicable.

7. Omitted Information

Not applicable.

8. Senior Officer

The senior officer who can answer questions regarding this report is Mr. Alain Bédard, President and Chief Executive Officer of TransForce Administration Inc., administrator of the Fund. Mr. Bédard can be reached at (514) 856-7531.

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

SIGNED the 5th day of September, 2003 at Montreal, Quebec.

(signed) "Alain Bédard"

President and Chief Executive Officer
TransForce Administration Inc.,
administrator of TransForce Income Fund

PRESS RELEASE

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FOR IMMEDIATE RELEASE

TRANSFORCE SUCCESSFUL IN BID TO ACQUIRE CANADIAN FREIGHTWAYS

Substantially Increases Company's Coverage and Range of Services

MONTREAL, August 26, 2003 — TransForce Income Fund (TSX : TIF.UN), a leader in the Canadian transportation and logistics industry, today announced it was successful in its bid to purchase substantially all the assets of Canadian Freightways Limited and certain of its subsidiaries. The purchase price is CDN $69.6 million plus assumption of loans and credit facilities of approximately CDN $15.0 million. The acquisition is expected to close before the end of this year.

The bid was accepted by Canadian Freightways' parent company, Consolidated Freightways Corporation, and was approved by the United States Bankruptcy Court in California on August 25, 2003. Court approval was necessary due to Consolidated Freightways Corporation being under Chapter 11 proceedings in the United States. Canadian Freightways itself is not under bankruptcy protection in the U.S. or in Canada.

Canadian Freightways is headquartered in Calgary, Alberta and its operations in Canada and the United States include less-than-truckload, truckload, sufferance warehouses, customs brokerage, international freight forwarding, fleet management and logistics management. The combined revenues of Canadian Freightways for its last fiscal year were approximately CDN$236 million.

“Canadian Freightways is a profitable, well-managed enterprise and adding this company to the TransForce group will provide unparalleled coverage to our customers across Canada and beyond. Moreover, the addition of Canadian Freightways will increase our range of services and significantly augment our business,” said Alain Bédard, President and CEO of TransForce.

TransForce intends to operate Canadian Freightways as an independent division and will retain its current management and staff of approximately 1,500 people under the direction of Mr. Darshan Kailly, President of Canadian Freightways.

Profile
TransForce Income Fund (www.transforce.ca), headquartered in Montreal, Quebec, is one of Canada’s leading transport and logistics companies. TransForce, through its businesses, operates in four well-defined business segments: Less Than Truckload and Parcel Delivery, Truckload, Specialized Truckload and Logistics and Warehousing Services. TransForce offers its services across North America with a focus on Eastern Canada. TransForce’s trust units (TIF.UN) are listed on the Toronto Stock Exchange.

Forward-Looking Statements
Except for historical information provided herein, this press release may contain information and statements of a forward-looking nature concerning the future performance of TransForce. These statements are based on suppositions and uncertainties as well as on management’s best possible evaluation of future events. Such factors may include, without excluding other considerations, fluctuations in quarterly results, evolution in customer demand for TransForce’s products and services, the impact of price pressures exerted by competitors, and general market trends or economic changes. As a result, readers are advised that actual results may differ from expected results.