UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

|X| **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2010

or

| | **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-32449

VITRAN CORPORATION INC.
(Exact name of registrant as specified in its charter)

Ontario, Canada	**98-0358363**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

185 The West Mall, Suite 701, Toronto, Ontario, Canada, M9C 5L5
(Address of principal executive offices and zip code)

416-596-7664
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes** ☒ **No** ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). **Yes** ☐ **No** ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒

Non-accelerated filer ☐ Smaller reporting company ☐
(Do not check if a smaller reporting company)

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **Yes** ☐ **No** ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: **16,299,441 common shares outstanding at October 25, 2010**

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Part I. Financial Information

Item 1: Financial Statements

VITRAN CORPORATION INC.

CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(Unaudited)

(In thousands of United States dollars except for per share amounts)

	Three months Ended Sept 30, 2010	Three months Ended Sept 30, 2009	Nine months Ended Sept 30, 2010	Nine months Ended Sept 30, 2009
Revenue	$ 182,877	$ 165,916	$ 527,815	$ 464,233
Operating expenses:				
Salaries, wages and other employee benefits	67,702	66,720	199,673	195,086
Purchased transportation	29,986	23,666	83,828	63,947
Depreciation and amortization	4,771	4,977	14,495	14,951
Maintenance	8,295	7,496	23,535	21,886
Rents and leases	7,264	6,605	21,335	19,744
Purchased labor and owner operators	23,589	21,149	66,385	57,709
Fuel and fuel-related expenses	22,017	18,209	65,087	47,296
Other operating expenses	15,072	14,737	45,120	42,511
Other loss (income)	42	(2)	(122)	(439)
Total operating expenses	178,738	163,557	519,336	462,691
Income from operations before undernoted	4,139	2,359	8,479	1,542
Interest expense, net	1,792	2,582	5,815	7,292
Income (loss) from operations before income taxes	2,347	(223)	2,664	(5,750)
Income tax expense (recovery)	385	(504)	(97)	(4,115)
Net income (loss)	$ 1,962	$ 281	$ 2,761	$ (1,635)
Income (loss) per share:				
Basic	$ 0.12	$ 0.02	$ 0.17	$ (0.12)
Diluted	$ 0.12	$ 0.02	$ 0.17	$ (0.12)
Weighted average number of shares:				
Basic	16,277,202	13,886,286	16,270,067	13,628,956
Diluted	16,359,468	14,001,903	16,359,203	13,628,956

See accompanying notes to the consolidated financial statements

VITRAN CORPORATION INC.

CONSOLIDATED BALANCE SHEETS

(In thousands of United States dollars)

	Sept 30, 2010 (Unaudited)	Dec. 31, 2009 (Audited)
Assets		
Current assets:		
Accounts receivable	$ 85,805	$ 69,591
Inventory, deposits and prepaid expenses	11,397	11,539
Income and other taxes recoverable	1,280	683
Deferred income taxes	3,661	3,495
	102,143	85,308
Property and equipment	137,892	145,792
Intangible assets	8,883	10,766
Goodwill	19,006	18,878
Deferred income taxes	32,650	33,594
	$300,574	$294,338
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank overdraft	$ 1,545	$ 105
Accounts payable and accrued liabilities	75,829	65,446
Current portion of long-term debt	17,087	17,125
	94,461	82,676
Long-term debt	63,778	72,956
Other	2,087	2,919
Shareholders' equity:		
Common shares, no par value, unlimited authorized, 16,299,441 and 16,266,441 issued and outstanding at September 30, 2010 and December 31, 2009, respectively	99,657	99,584
Additional paid-in capital	4,694	4,264
Retained earnings	32,042	29,281
Accumulated other comprehensive income	3,855	2,658
	140,248	135,787
	$300,574	$294,338

Contingent liabilities (note 8)

See accompanying notes to the consolidated financial statements.

VITRAN CORPORATION INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

(In thousands of United States dollars, except share amounts)

	Common shares		Additional Paid-in	Retained	Accumulated other comprehensive	Total Shareholders'
	Shares	Amount	Capital	Earnings	Income (Loss)	Equity
December 31, 2009	16,266,441	$ 99,584	$ 4,264	$ 29,281	$ 2,658	$ 135,787
Shares issued upon exercise of employee stock options	33,000	73	--	--	--	73
Net income	--	--	--	2,761	--	2,761
Other comprehensive income	--	--	--	--	1,197	1,197
Share-based compensation	--	--	430	--	--	430
September 30, 2010	16,299,441	$ 99,657	$ 4,694	$ 32,042	$ 3,855	$ 140,248

	Common shares		Additional Paid-in	Retained	Accumulated Other comprehensive	Total Shareholders'
	Shares	Amount	Capital	Earnings	Income (Loss)	Equity
December 31, 2008	13,498,159	$ 77,500	$ 3,525	$ 33,253	$ (3,035)	$ 111,243
Shares issued upon exercise of employee stock options	70,000	333	--	--	--	333
Shares issued in private placement	2,698,282	21,815	--	--	--	21,815
Net loss	--	--	--	(1,635)	--	(1,635)
Other comprehensive income	--	--	--	--	4,670	4,670
Share-based compensation	--	--	603	--	--	603
September 30, 2009	16,266,441	$ 99,648	$ 4,128	$ 31,618	$ 1,635	$ 137,029

See accompanying notes to the consolidated financial statements.

VITRAN CORPORATION INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands of United States dollars)

	Three months Ended Sept 30, 2010	Three months Ended Sept 30, 2009	Nine months Ended Sept 30, 2010	Nine months Ended Sept 30, 2009
Cash provided by (used in):				
Operations:				
Net income (loss)	$ 1,962	$ 281	$ 2,761	$ (1,635)
Items not involving cash from operations				
Depreciation and amortization expense	4,771	4,977	14,495	14,951
Deferred income taxes	669	(868)	450	(4,154)
Share-based compensation expense	134	163	430	603
Loss (gain) on sale of property and equipment	42	(2)	(122)	(439)
Change in non-cash working capital components	(284)	(956)	(6,464)	(8,269)
	7,294	3,595	11,550	1,057
Investments:				
Purchase of property and equipment	(767)	(506)	(4,748)	(3,955)
Proceeds on sale of property and equipment	475	33	1,301	1,178
	(292)	(473)	(3,447)	(2,777)
Financing:				
Change in revolving credit facility and bank overdraft	(2,579)	(11,478)	6,080	1,601
Repayment of long-term debt	(3,089)	(10,768)	(10,444)	(15,304)
Repayment of capital leases	(1,015)	(1,309)	(3,412)	(4,521)
Financing costs	--	(414)	--	(414)
Issue of common shares in private placement, net	--	21,318	--	21,318
Shares issued upon exercise of employee stock options	73	333	73	333
	(6,610)	(2,318)	(7,703)	3,013
Effect of translation adjustment on cash	(392)	(804)	(400)	(1,293)
Increase in cash and cash equivalents	--	--	--	--
Cash and cash equivalents, beginning of period	--	--	--	--
Cash and cash equivalents, end of period	$ --	$ --	$ --	$ --
Change in non-cash working capital components:				
Accounts receivable	$ (5,009)	$ (5,378)	$ (16,214)	$ (11,687)
Inventory, deposits and prepaid expenses	(1,173)	1,531	142	713
Income and other taxes recoverable	1,534	203	(775)	(934)
Accounts payable and accrued liabilities	4,364	2,688	10,383	3,819
	$ (284)	$ (956)	$ (6,464)	$ (8,269)

See accompanying notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(In thousands of United States dollars except for per share amounts)

1. Accounting Policies

The interim consolidated financial statements have been prepared in accordance with the rules prescribed for filing interim financial statements and accordingly, do not contain all the disclosures that may be necessary for complete financial statements prepared in accordance with United States generally accepted accounting principles. The interim consolidated financial statements have been prepared in accordance with instructions to Quarterly Report on Form 10-Q. The interim consolidated financial statements should be read in conjunction with the Company's 2009 Annual Report on Form 10-K. The interim consolidated financial statements follow the same accounting principles and methods of application as the most recent annual consolidated financial statements, except as noted in Note 2.

These interim unaudited consolidated financial statements reflect all adjustments which are, in the opinion of Management, necessary for a fair presentation of the results of the interim period presented. Operating results for the three and nine months ended September 30, 2010 are not necessarily indicative of the results of operations that may be expected for the year ending December 31, 2010.

2. New Accounting Pronouncements

Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("FASB ASC") Update No. 2010-06 "Improving Disclosure about Fair Value Measurements", requires enhanced disclosures about recurring and nonrecurring fair-value measurements including significant transfers in and out of Level 1 and Level 2 fair-value measurements and information on purchases, sales, issuances and settlements on a gross basis of Level 3 fair-value measurements. FASB ASC update No. 2010-06 was adopted January 1, 2010 except for the requirement to separately disclose purchases, sales, issuances and settlements of recurring Level 3 fair value measurements which is effective January 1, 2011.

3. Foreign Currency Translation

The United States dollar is the functional currency of the Company's operations in the United States. The Canadian dollar is the functional currency of the Company's Canadian operations. Each operation translates foreign currency denominated transactions into its functional currency using the rate of exchange in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency of the operation using the period-end rate of exchange giving rise to a gain or loss that is recognized in income during the current period.

For reporting purposes, the Canadian operations are translated into United States dollars using the current rate method. Under this method, all assets and liabilities are translated at the period-end rate of exchange and all revenue and expense items are translated at the average rate of exchange for the period. The resulting translation adjustment is recorded as a separate component of shareholders' equity. United States dollar debt of $61.8 million is designated as a hedge of the investment in the United States dollar functional operations, such that related transaction gains and losses are recorded in the separate component of shareholders' equity.

4. Goodwill

The Company annually compares the implied fair value of its reporting units to the carrying value to determine if an impairment loss has occurred. The fair value based test involves assumptions regarding long-term future performance of the reporting units, fair value of the assets and liabilities, cost of capital rates, capital re-investment and other assumptions. Actual recovery of goodwill could differ from these assumptions based on the market conditions and other factors. In the event goodwill is determined to be impaired, a charge to earnings would be required. As at September 30, 2010, the Company completed its annual goodwill impairment test and concluded that there was no impairment.

5. Comprehensive Income

The components of other comprehensive income ("OCI") such as changes in foreign currency adjustments are required to be added to the Company's reported net income (loss) to arrive at comprehensive net income. Other comprehensive income items have no impact on the reported net income as presented on the Consolidated Statements of Income (Loss).

The following are the components of other comprehensive income, net of income taxes, for the three and nine months ended September 30, 2010 and 2009:

	Three months Ended Sept 30, 2010	Three months Ended Sept 30, 2009	Nine months Ended Sept 30, 2010	Nine months Ended Sept 30, 2009
Net income (loss)	$ 1,962	$ 281	$ 2,761	$ (1,635)
Translation adjustment	1,247	2,546	708	3,769
Interest rate swaps	190	378	672	1,265
Tax effect	(51)	(109)	(183)	(364)
Other comprehensive income	$ 1,386	$ 2,815	$ 1,197	$ 4,670
Comprehensive net income	$ 3,348	$ 3,096	$ 3,958	$ 3,035

6. Computation of Income (Loss) per Share

	Three months Ended Sept 30, 2010	Three months Ended Sept 30, 2009	Nine months Ended Sept 30, 2010	Nine months Ended Sept 30, 2009
Numerator:				
Net income (loss)	$ 1,962	$ 281	$ 2,761	$ (1,635)
Denominator:				
Basic weighted-average shares outstanding	16,277,202	13,886,286	16,270,067	13,628,956
Dilutive stock options	82,266	115,617	89,136	--
Dilutive weighted-average shares outstanding	16,359,468	14,001,903	16,359,203	13,628.956
Basic income (loss) per share	$ 0.12	$ 0.02	$ 0.17	$ (0.12)
Diluted income (loss) per share	$ 0.12	$ 0.02	$ 0.17	$ (0.12)

For the three and nine months ended September 30, 2010, dilutive shares excludes the effect of 698,900 (three months ended September 30, 2009 - 635,900) anti-dilutive options. Due to the net loss for the nine months ended September 30, 2009, dilutive shares have no effect on the loss per share.

7. Assets Held for Sale

The Company has certain assets that are classified as assets held for sale. These assets are carried on the balance sheet at the lower of the carrying amount or estimated fair value, less cost to sell. Once an asset is classified held for sale, there is no further depreciation taken on the asset. At September 30, 2010, the net book value of assets held for sale was approximately $4.9 million (December 31, 2009 - $5.4 million). This amount is included in property and equipment on the balance sheet.

8. Contingent Liabilities

The Company is subject to legal proceedings that arise in the ordinary course of business. In the opinion of Management, the aggregate liability, if any, with respect to these actions, will not have a material adverse effect on the consolidated financial position, results of operations or cash flows. Legal costs are expensed as incurred.

9. Risk Management Activities and Fair Value Measurements

The Company is exposed to market risks, including the effect of changes in foreign currency exchange rates and interest rates, and uses derivatives to manage financial exposures that occur in the normal course of business. The Company does not hold or issue derivatives for trading purposes.

Interest Rate Swaps

The Company is exposed to interest rate volatility with regard to existing variable rate debt. The Company has entered into variable-to-fixed interest rate swaps on variable rate term debt and revolving debt to limit its exposure to changing interest rates and future cash flows for interest. The interest rate swaps provide for the Company to pay an amount equal to a specified fixed rate of interest times a notional principal amount and to receive in return an amount equal to a variable rate of interest times the same notional amount. The swaps are accounted for as cash flow hedges. The effective portions of changes in fair value of the interest rate swaps are recorded in Accumulated Other Comprehensive Income and are recognized into earnings in the same period in which the hedged forecasted transaction affects earnings. Ineffective portions of changes in fair value are recognized into earnings as they occur. At September 30, 2010, the notional amount of the swaps was $19.0 million, with the average pay rate being 5.07% and the average receive rate being 0.29%. The swaps mature at various dates up to December 31, 2011.

The Company primarily applies the income approach for recurring fair value measurements and endeavours to utilize the best available information. Accordingly, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The Company is able to classify fair value balances based on the observability of those inputs.

FASB ASC 820-10-05 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

Liabilities measured at fair value on a recurring basis include the following as of September 30, 2010:

	Fair Value Measurements Using			Liabilities
(in thousands)	Level 1	Level 2	Level 3	At Fair Value
Liabilities				
Interest rate swaps	$ -	$ 745	$ -	$ 745
Total liabilities	$ -	$ 745	$ -	$ 745

The following table presents the fair value of derivative instruments for the three and nine months ended September 30, 2010:

	Notional Amount	**Fair Value**	**Balance Sheet Location**	**Gain in OCI Three months ended Sept 30, 2010**	**Gain in OCI Nine months ended Sept 30, 2010**
Interest rate swaps	$19,000	$745	Other liabilities	$190	$672

10. Segmented Information

	Three months Ended Sept 30, 2010	Three months Ended Sept 30, 2009	Nine months Ended Sept 30, 2010	Nine months Ended Sept 30, 2009
Revenue:				
LTL	$ 150,655	$ 137,479	$ 436,499	$ 384,509
SCO	23,469	19,810	64,481	54,641
Truckload	8,753	8,627	26,835	25,083
Corporate office and other	--	--	--	--
	$ 182,877	$ 165,916	$ 527,815	$ 464,233

	Three months Ended Sept 30, 2010	Three months Ended Sept 30, 2009	Nine months Ended Sept 30, 2010	Nine months Ended Sept 30, 2009
Operating income (loss):				
LTL	$ 3,006	$ 1,502	$ 6,239	$ (25)
SCO	1,995	1,698	4,759	3,552
Truckload	70	175	743	623
Corporate office and other	(932)	(1,016)	(3,262)	(2,608)
	$ 4,139	$ 2,359	$ 8,479	$ 1,542

	Three months Ended Sept 30, 2010	Three months Ended Sept 30, 2009	Nine months Ended Sept 30, 2010	Nine months Ended Sept 30, 2009
Depreciation and amortization:				
LTL	$ 4,158	$ 4,313	$ 12,675	$ 12,982
SCO	431	404	1,247	1,191
Truckload	152	231	482	704
Corporate office and other	30	29	91	74
	$ 4,771	$ 4,977	$ 14,495	$ 14,951

11. Subsequent events

The Company has completed an evaluation of all subsequent events through the issuance date of these consolidated financial statements and concluded no subsequent events occurred that required recognition or disclosure.

12. Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

Item 2. Management's Discussion and Analysis of Results of Operation

The following discussion should be read in conjunction with our unaudited consolidated interim financial statements for the three months and nine months ended September 30, 2010 and the notes thereto as included in Item 1 of this Quarterly Report on Form 10-Q.

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws concerning Vitran's business, operations, and financial performance and condition.

Forward-looking statements may be generally identifiable by use of the words "believe", "anticipate", "intend", "estimate", "expect", "project", "may", "plans", "continue", "will", "focus", "should", "endeavor" or the negative of these words or other variation on these words or comparable terminology. These forward-looking statements are based on current expectations and are subject to uncertainty and changes in circumstances that may cause actual results to differ materially from those expressed or implied by such forward-looking statements.

This Quarterly Report on Form 10-Q contains forward-looking statements regarding, but not limited to, the following:

- *the Company's belief it will generate sufficient taxable income to utilize deferred tax assets;*
- *the Company's ability to realize cost savings from re-engineering its linehaul and pick-up and delivery operations in the U.S. LTL business unit;*
- *the Company's ability to realize cost savings from wage and salary reductions;*
- *the Company's ability to improve income from operations in the LTL segment with improvement in revenue per hundredweight;*
- *the Company's ability to continue to realize maintenance expense savings from recently acquired rolling stock in the U.S. LTL business unit;*
- *the Company's intention to replace purchased linehaul expense with Company drivers and Company-owned rolling stock;*
- *the Company's expectation that year-over-year results will improve if the LTL pricing continues to improve;*
- *the Company's expectation that year-over-year results will improve despite a tight driver supply in certain cities;*
- *the Company's expectation to return its days sales outstanding measure to historical levels;*
- *the Company's intention to purchase a specified level of capital assets and to finance such acquisitions with cash flow from operations and, if necessary, from the Company's revolving credit facilities;*
- *the Company's expectation to improve profitability from additional operating initiatives in the LTL segment;*
- *the Company's ability to meet future debt covenants and develop successful financing alternatives;*
- *the Company's ability to generate future operating cash flows from profitability and managing working capital;*
- *the Company's ability to benefit from an improvement in the economic environment.*

Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Vitran's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that may cause such differences include but are not limited to technological change, increase in fuel costs, regulatory change, changes in tax legislation, the general health of the economy, changes in labor relations, geographic expansion, capital requirements, availability of financing, claims and insurance costs, environmental hazards, availability of qualified drivers and competitive factors. More detailed information about these and other factors is included in Item 1A – Risk Factors in the Company's 2009 Annual Report on Form 10-K. Many of these factors are beyond the Company's control; therefore, future events may vary substantially from what the Company currently foresees. You should not place undue reliance on such forward-looking statements. Vitran Corporation Inc. does not assume the obligation to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

Unless otherwise indicated all dollar references herein are in U.S. dollars. The Company's Annual Report on Form 10-K, as well as all the Company's other required filings, may be obtained from the Company at www.vitran.com or from www.sedar.com or from www.sec.gov.

CONSOLIDATED RESULTS

The following table summarizes the Consolidated Statements of Income (Loss) for the three and nine months ended September 30:

(in thousands) (unaudited)	For the three months ended Sept 30, 2010	2009	2010 vs 2009	For the nine months ended Sept 30, 2010	2009	2010 vs 2009
Revenue	$ 182,877	$ 165,916	10.2%	$ 527,815	$ 464,233	13.7%
Salaries, wages and employee benefits	67,702	66,720	1.5%	199,673	195,086	2.4%
Purchased transportation	29,986	23,666	26.7%	83,828	63,947	31.1%
Depreciation and amortization	4,771	4,977	(4.1%)	14,495	14,951	(3.0%)
Maintenance	8,295	7,496	10.7%	23,535	21,886	7.5%
Rents and leases	7,264	6,605	10.0%	21,335	19,744	8.1%
Purchased labor and owner operators	23,589	21,149	11.5%	66,385	57,709	15.0%
Fuel and fuel-related expenses	22,017	18,209	20.9%	65,087	47,296	37.6%
Other operating expenses	15,072	14,737	2.3%	45,120	42,511	6.1%
Operating loss (income)	42	(2)	n/c	(122)	(439)	(72.2%)
Total Expenses	**$ 178,738**	**$ 163,557**	9.3%	**$ 519,336**	**$ 462,691**	12.2%
Income (loss) from operations	**4,139**	**2,359**	**75.5%**	**8,479**	**1,542**	**449.9%**
Interest expense, net	1,792	2,582	(30.6%)	5,815	7,292	(20.3%)
Income tax expense (recovery)	385	(504)	(176.4%)	(97)	(4,115)	(97.6%)
Net income (loss)	**$ 1,962**	**$ 281**	**598.2%**	**$ 2,761**	**$ (1,635)**	**268.9%**
Income (loss) per share:						
Basic	$ 0.12	$ 0.02		$ 0.17	$ (0.12)	
Diluted	$ 0.12	$ 0.02		$ 0.17	$ (0.12)	
Operating Ratio [1]	97.7%	98.6%		98.4%	99.7%	

Revenue increased 10.2% to $182.9 million for the third quarter of 2010 compared to $165.9 million in the third quarter of 2009. Revenue in the Less-than-truckload ("LTL"), Supply Chain Operation, and Truckload segments increased 9.6%, 18.5% and 1.5%, respectively. Revenue for the third quarter of 2010 was impacted by a stronger Canadian dollar and an increase in fuel surcharge revenue, accounting for approximately $5.4 million of the consolidated revenue increase. Excluding the impact of fuel surcharge revenue and a stronger Canadian dollar, revenue for the comparative quarters improved 6.9%. For the nine months ended September 30, 2010, revenue increased 13.7% to $527.8 million compared to $464.2 million for the same nine-month period in 2009. Consolidated revenue for the comparable nine-month periods was also impacted by a stronger Canadian dollar and increase in fuel surcharge revenue accounting for approximately $29.5 million of the total revenue increase. Detailed explanations for the fluctuations in revenue are discussed below in "Segmented Results".

Salaries, wages and employee benefits increased 1.5% for the third quarter of 2010 compared to the third quarter of 2009. For the nine-month period ended September 30, 2010, salaries and wage and employee benefits increased 2.4% compared to the same nine-month period a year ago. These increases are consistent with the 1.7% increase in employee headcount compared to September 30, 2009.

Purchased transportation increased 26.7% in the third quarter of 2010 compared to the third quarter of 2009. An increase in LTL segment activity as indicated by the 4.9% increase in shipments and the 6.1% increase in length of haul within the U.S. LTL business unit contributed to the increase in purchased transportation expense. Should the U.S. LTL business unit continue to experience significant shipment growth above the 2009 levels, purchased transportation expense will continue to increase. It is management's intention to replace purchased transportation with company drivers and equipment as lane density, revenue per hundredweight and financial results appear sustainable and warrant the commitment to company drivers and the investment in equipment. Lastly, increased shipment levels in the Canadian LTL business unit resulted in an increase in purchased railway linehaul expenses.

Depreciation and amortization expense declined by 4.1% for the three-month period and 3.0% for the nine-month period ended September 30, 2010 compared to the same periods in 2009, and is primarily attributable to the sale of rolling stock and buildings throughout 2009 and into the first nine months of 2010.

Maintenance expense of $8.3 million for the third quarter of 2010 increased 10.7% compared to the third quarter of 2009. However, as a percentage of revenue, maintenance expense was flat at 4.5% for the third quarter of 2010 compared to the same quarter a year ago. For the nine-month period ended September 30, 2010 maintenance expense as a percentage of revenue declined to 4.5% compared to 4.7% for the nine-month period ended September 30, 2009. The decline in maintenance expense as a percentage of revenue can be attributed to the addition of 650 new units of rolling stock in the fourth quarter of 2009 and 342 new units of rolling stock in 2010.

Rents and leases expense increased 10.0% and 8.1% for the three-month and nine-month period ended September 30, 2010 compared to the same periods of 2009. The increases are attributable to the aforementioned 650 pieces of new rolling stock added in the fourth quarter of 2009 and 342 pieces of new rolling stock added in 2010, both financed by operating lease commitments.

Purchased labor and owner operator expenses, primarily driven by the Canadian LTL business unit and the Supply Chain Operation, increased in the three and nine-month periods ended September 30, 2010 compared to the same periods in 2009 due to an increase in LTL shipments and an increase in activity levels within the SCO segment.

Fuel and fuel-related expenses increased 20.9% for the three-month period ended September 30, 2010 compared to the same three-month period a year ago. The average price of diesel increased approximately 13.1% in the comparative three-month periods. Furthermore, the Company's fuel consumption increased due to the increase in activity as indicated by the 4.9% increase in shipments and 6.1% increase in length of haul in the U.S. LTL business unit.

The Company incurred interest expense of $1.8 million in the third quarter of 2010 compared to interest expense of $2.6 million for the same quarter a year ago. In addition to the Company's interest rate spread on its syndicated revolving and term debt being 150 bps less than a year ago, the Company reduced interest bearing debt with $21.3 million of proceeds from an equity offering in September 2009 resulting in a reduction in interest expense for the third quarter of 2010. Furthermore, the Company has repaid an additional $7.7 million of debt since December 31, 2009.

Income tax expense for the third quarter of 2010 was $0.4 million compared to a recovery of $0.5 million for the same quarter a year ago due to a profit before income tax expense in the current quarter. On a consolidated basis, for the nine-month period, the Company recognized additional deferred tax assets resulting from tax losses in the United States. Management believes the Company will generate sufficient taxable income to use these losses in the future.

Net income for the 2010 third quarter was $2.0 million compared to net income of $0.3 million for the same quarter in 2009. This resulted in basic and diluted earnings per share of $0.12 for the third quarter of 2010 compared to basic and diluted earnings per share of $0.02 for the third quarter of 2009. The weighted average number of shares for the current quarter was 16.3 million basic and 16.4 million diluted shares compared to 13.9 million basic shares and 14.0 million diluted shares in the third quarter of 2009. For the nine months ended September 30, 2010, the Company posted net income of $2.8 million compared to a net loss of $1.6 million in the same nine-month period a year ago. This resulted in earnings per share of $0.17 basic and diluted compared to a loss per share of $0.12 for the same 2009 nine-month period. The weighted average number of shares for the nine-month period of 2010 was 16.3 million basic and 16.4 million diluted shares compared to 13.6 million basic and diluted shares in the nine-month period of 2009.

SEGMENTED RESULTS

Less-Than-Truckload (LTL)

The table below provides summary information for the LTL segment for the three and nine months ended September 30:

	For the three months ended Sept 30,			For the nine months ended Sept 30,		
(in thousands) (unaudited)	**2010**	**2009**	**2010 vs 2009**	**2010**	**2009**	**2010 vs 2009**
Revenue	$ 150,655	$ 137,479	9.6%	$ 436,499	$ 384,509	13.5%
Income (loss) from operations	3,006	1,502	100.1%	6,239	(25)	n/c
Operating ratio	98.0%	98.9%		98.6%	100.0%	
Number of shipments [(2)]	1,026,936	979,404	4.9%	2,987,047	2,788,780	7.1%
Weight (000s of lbs) [(3)]	1,494,924	1,429,041	4.6%	4,448,875	4,093,058	8.7%
Revenue per shipment [(4)]	$ 146.70	$ 140.37	4.5%	$ 146.13	$ 137.88	6.0%
Revenue per hundredweight [(5)]	$ 10.08	$ 9.62	4.8%	$ 9.81	$ 9.39	4.5%

Revenue in the LTL segment increased 9.6% to $150.7 million in the third quarter of 2010 compared to $137.5 million in the same period a year ago. The increase in revenue was influenced by fuel surcharge which represented 12.3% of revenue in the third quarter of 2010 compared to 10.8% of revenue in the third quarter of 2009. Therefore, revenue net of fuel surcharge for the third quarter of 2010 increased 7.7% compared to the third quarter of 2009. Revenue, net of fuel surcharge, was impacted by positive momentum in the North American economy in the third quarter of 2010 as indicated by the increase in shipments and tonnage of 4.9% and 4.6% respectively compared to the third quarter of 2009.

Revenue in the LTL segment improved 13.5% to $436.5 million for the nine-month period ended September 30, 2010 compared to $384.5 million for the same nine-month period a year ago. The increase in revenue was influenced by fuel surcharge which represented 12.3% of revenue in the first nine months of 2010 compared to 9.7% of revenue in the first nine months of 2009. Shipments and tonnage improved 7.1% and 8.7%, respectively, in the comparable nine-month period impacting revenue excluding fuel surcharge.

Shipments per day in the U.S. LTL business unit increased 4.1% for the third quarter of 2010 compared to the third quarter of 2009. This can be attributed to the integrated operating footprint in the United States introduced in the first quarter of 2009, allowing the business unit to expand its service offering across longer lanes and achieve market share growth. This was confirmed by the 6.1% increase in length of haul from September 30, 2010 compared to September 30, 2009. On a sequential basis, from July to September in the third quarter of 2010, daily shipment levels increased 4.9%; in addition, from the beginning of the quarter to the end of the quarter revenue per hundredweight excluding fuel surcharge improved 2.7% for the business unit.

The LTL segment made additional changes in early April 2009, re-engineering its linehaul and pick-up and delivery operations to reduce claims expenses, dock handling costs and linehaul expenses, as well as a 5% reduction in wages and salaries for all employees. These initiatives resulted in improvements in the 2010 third quarter and nine-month income from operations to $3.0 million and $6.2 million respectively. Consequently, the operating ratio for the three-month and nine-month periods ended September 30, 2010 improved to 98.0% and 98.6%, respectively, compared to 98.9% and 100.0% for the same periods in 2009. Management believes that with the new integrated U.S. LTL operating model, the current pricing momentum and additional operating initiatives, the segment is well positioned to contribute income from operations over the long term.

Supply Chain Operation (SCO)

The table below provides summary information for the SCO segment for the three and nine months ended September 30:

(in thousands) (unaudited)	For the three months ended Sept 30, 2010	2009	2010 vs 2009	For the nine months ended Sept 30, 2010	2009	2010 vs 2009
Revenue	$ 23,469	$ 19,810	18.5%	$ 64,481	$ 54,641	18.0%
Income from operations	1,995	1,698	17.5%	4,759	3,552	34.0%
Operating ratio	91.5%	91.4%		92.6%	93.5%	

Revenue in the SCO segment increased 18.5% and 18.0% for the three-month and nine-month periods ended September 30, 2010 compared to the same periods a year ago. Income from operations for the three-month and nine-month periods ended September 30, 2010 improved 17.5% and 34.0% respectively, compared to the same periods a year ago. The improvements in revenue and income from operations were attributable to increased activity levels across all regions in the SCO segment, the start-up of facilities in Salt Lake City, Utah and Albuquerque, New Mexico during the 2010 third quarter as well as two new dedicated facilities in 2009 that were not fully included in the 2009 nine-month results. The SCO segment posted operating ratios of 91.5% and 92.6% for the three and nine-month periods ended September 30, 2010 compared to operating ratios of 91.4% and 93.5% for the three and nine-month periods ended September 30, 2009.

Truckload

The table below provides summary information for the Truckload segment for the three and nine months ended September 30:

(in thousands) (unaudited)	For the three months ended Sept 30, 2010	2009	2010 vs 2009	For the nine months ended Sept 30, 2010	2009	2010 vs 2009
Revenue	$ 8,753	$ 8,627	1.5%	$ 26,835	$ 25,083	7.0%
Income from operations	70	175	(60.0%)	743	623	19.3%
Operating ratio	99.2%	98.0%		97.2%	97.5%	

Revenue in the Truckload segment increased 1.5% to $8.8 million for the third quarter of 2010 compared to $8.6 million for the third quarter of 2009. Total shipments decreased 1.9% and were offset by an increase in revenue per total mile[(6)] of 5.2% in the third quarter of 2010 compared to the same period in 2009. These improvements were offset by an increase in accident costs for the second consecutive quarter in 2010. Revenue and income from operations for the nine-month period of 2010 increased by 7.0% and 19.3% respectively compared to the same period in 2009. This resulted in an operating ratio of 97.2% for the nine months ended September 30, 2010 compared an operating ratio of 97.5% for the nine months ended September 30, 2009.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operations for the third quarter of 2010 generated $7.3 million compared to the third quarter of 2009 that generated $3.6 million. Net income for the comparable quarters ended September 30 improved $1.7 million and an improvement in the change in non-cash working capital contributed to the increase in cash flow from operations. Days sales outstanding ("DSO") in the third quarter of 2010 was 42.7 days compared to DSO of 42.5 days for the third quarter of 2009 and 44.4 days at June 30, 2010.

It is Management's intention to return DSO to historical levels of approximately 40 days. The Company's future operating cash flows are largely dependent upon the Company's profitability and its ability to manage its working capital requirements, primarily accounts receivable, accounts payable, and wage and benefit accruals.

At September 30, 2010, interest-bearing debt was $82.4 million consisting of $20.0 million of term debt, $55.6 million drawn under a revolving credit facility and $6.8 million of capital leases. At December 31, 2009 interest-bearing debt was $90.2 million consisting of $30.5 million of term debt, capital leases of $10.2 million and $49.5 million drawn under the revolving credit facility. The majority of the decline in debt is attributable to the repayment of $13.9 million of term debt and capital leases, net against $6.1 million of drawings on the revolving credit facility.

During the third quarter of 2010, the Company repaid $3.1 million of term debt, $1.0 million of capital leases and $2.6 million of its revolving credit facility. At September 30, 2010, the Company had $18.7 million of available credit facilities, net of outstanding letters of credit, within its syndicated credit facilities. The Company was in compliance with its debt covenants at September 30, 2010. Due to lower total funded debt and the improvement in earnings, the Company has reduced its leverage ratio at September 30, 2010 and has earned another 50bps reduction on its syndicated interest rate spreads starting in the fourth quarter of 2010.

The Company generated $1.3 million in proceeds and a gain on sale of $0.1 million on the divestiture of surplus equipment and a facility in Cleveland, Ohio in the nine-month period ended September 30, 2010. Capital expenditures amounted to $4.8 million for the nine months of 2010 and were primarily funded out of the proceeds from the sale and the revolving credit facility. The capital expenditures in the nine-month period of 2010 were primarily for the purchase of a facility in Grand Rapids, Michigan, rolling stock and information technology expenditures. In the nine-month period of 2009, the majority of capital expenditures were for land in Winnipeg, Manitoba, rolling stock and information technology expenditures. The table below sets forth the Company's capital expenditures for the three- and nine-month periods ended September 30, 2010 and 2009.

	For the three months ended Sept 30,		For the nine months ended Sept 30	
(in thousands of dollars) (unaudited)	**2010**	**2009**	**2010**	**2009**
Real estate and buildings	$ 54	$ 12	$1,454	$ 732
Tractors	250	72	684	588
Trailing fleet	23	55	1,062	1,738
Information technology	144	57	545	323
Leasehold improvements	29	112	41	152
Other equipment	267	198	962	422
Total	$ 767	$ 506	$4,748	$3,955

Management estimates that cash capital expenditures for the remainder of 2010 will be between $4.0 million and $5.0 million. The Company may enter into operating leases to fund the acquisition of specific equipment should the business levels exceed the current equipment capacity of the Company. The Company expects to finance its capital requirements with cash flow from operations, operating leases and, if required, its $18.7 million of available credit facilities.

The Company has contractual obligations for principal payments that include long-term debt consisting of term debt facilities, revolving credit facilities and capital leases for operating equipment. The Company utilizes **off-balance sheet** operating leases primarily consisting of tractor, trailing fleet and real estate leases. Operating leases form an integral part of the Company's financial structure and operating methodology as they provide an alternative cost-effective and flexible form of financing.

The following table summarizes our significant contractual obligations and commercial commitments as of September 30, 2010:

(in thousands of dollars)		Payments due by period			
Contractual Obligations	**Total**	**2010**	**2011 & 2012**	**2013 & 2014**	**Thereafter**
Term credit facilities	$ 20,036	$ 3,000	$ 17,036	$ Nil	$ Nil
Revolving credit facilities	55,616	Nil	55,616	Nil	Nil
Capital lease obligations	6,758	959	5,576	223	Nil
Estimated interest payments (1)	5,308	969	4,336	3	Nil
Sub-total	87,718	4,928	82,564	226	Nil
Operating leases	73,674	5,908	40,277	21,055	6,434
Total Contractual Obligations	$ 161,392	$ 10,836	$ 122,841	$ 21,281	$ 6,434

(1) The Company has estimated its interest obligation on its fixed and variable rate obligations. For debt where variable-to-fixed interest rate swaps are in place, the fixed interest rate was used to determine the interest obligation until the interest rate swaps mature. For other fixed rate debt, the fixed rate was used to determine the interest rate obligation. For variable rate debt, the variable rate in place at September 30, 2010 was used to determine the total interest obligation.

In addition to the above-noted contractual obligations, as at September 30, 2010, the Company utilized the revolving credit facilities for standby letters of credit ("LOC") of $20.3 million. The LOC's are used as collateral for self-insured retention of insurance claims. Export Development Canada ("EDC") provided guarantees up to $12.2 million on specific LOC's to the Company's syndicated lenders. As a result, the Company's definition of funded debt in the associated credit agreement excludes LOC's guaranteed by the EDC.

A significant decrease in demand for our services could limit the Company's ability to generate cash flow and affect its profitability. The Company's credit agreement contains certain financial maintenance tests that require the Company to achieve stated levels of financial performance, which, if not achieved, could cause an acceleration of the payment schedules. Should the current macro-economic environment further destabilize, the Company may fail to comply with the aforementioned debt covenants within the next twelve months. As a result, the Company may seek to amend the debt covenants in its existing syndicated credit agreement. Assuming no significant decline in business levels or financial performance, Management expects that existing working capital, together with available revolving credit facilities, will be sufficient to fund operating and capital requirements as well as service the contractual obligations.

OUTLOOK

The North American transportation environment continued to show positive economic signs in the third quarter of 2010. Activity levels in the LTL segment continued to improve with the month of September showing the normal seasonal strength. More importantly the LTL segment continued to improve its yield and it appears that the pricing environment is strengthening. The SCO opened two new distributions centers and posted a record income from operations for the quarter. The availability of qualified drivers in certain cities in the U.S. continued to tighten. Should activity levels remain at the current levels and the pricing environment sustain its positive momentum in the U.S. LTL business unit, Vitran's financial results should continue to improve year-over-year.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

In preparing the interim consolidated financial statements, Management makes estimates and assumptions that affect reported amounts and disclosures. Management periodically reviews its critical accounting policies and estimates and their underlying assumptions in light of current economic conditions, operating performance and as new information and regulatory changes become known. In the opinion of Management, the accounting policies that generally have the most significant impact on the financial position and results of operations of the Company include:

Revenue Recognition

The Company's LTL and Truckload segments and Freight Brokerage operations recognize revenue upon the delivery of the related freight and direct shipment costs as incurred. For the LTL segment, transportation services not completed at the end of a reporting period, revenue is recognized based on relative transit time in each period with expenses recognized as incurred. Revenue for the SCO is recognized as the management services are provided. Critical revenue-related policies and estimates for the Company's LTL business unit relate to revenue adjustments and allowance for doubtful accounts. Critical revenue-related policies and estimates for the Company's SCO and Truckload segment include allowance for doubtful accounts. The Company believes that its revenue recognition policies are appropriate and that its revenue-related estimates and judgments provide a reasonable approximation of actual revenue earned.

Estimated Revenue Adjustments

Generally, the pricing assessed by companies in the LTL business is subject to subsequent adjustments due to several factors, including weight and freight classification verifications, shipper bill of lading errors, pricing errors, pricing discounts and other miscellaneous revenue adjustments. Revenue adjustments may also include customer short payment write-offs, overcharge and undercharge claims. The provision for revenue adjustments is evaluated and updated based on revenue levels, current trends and historical experience. These revenue adjustments are recorded as a reduction in revenue from operations and accrued for in the allowance for doubtful accounts.

Allowance for Doubtful Accounts

The Company records an allowance for doubtful accounts related to accounts receivable that may potentially be impaired. The Company's allowance is estimated by (1) a percentage of its aged receivables reflecting the current business environment, customer and industry concentrations, and historical experience, and (2) an additional allowance for specifically identified accounts that are significantly impaired. A change to these factors could impact the estimated allowance. The provision for bad debts is recorded in selling, general and administrative expenses.

Claims and Insurance Accruals

Claims and insurance accruals reflect the estimated ultimate total cost of claims, including amounts for claims incurred but not reported and future claims development, for cargo loss and damage, bodily injury and property damage, workers' compensation, long-term disability and group health. In establishing these accrued expenses, management evaluates and monitors each claim individually and claim frequency. Factors such as historical experience, known trends and third party estimates help determine the appropriate reserves for the estimated liability. Changes in severity of previously reported claims, significant changes in the medical costs and legislative changes affecting the administration of the plans could significantly impact the determination of appropriate reserves in future periods. In Canada, the Company has a $50,000 deductible and in the United States $350,000 self-insurance retention ("SIR") per incident for auto liability, casualty and cargo claims. In the United States, the Company has a $350,000 SIR per incident for workers' compensation and $250,000 SIR per incident for employee medical.

In addition to estimates within the self-insured retention, management makes judgments concerning the coverage limits. If any claim was to exceed the coverage limits, the Company would have to accrue for the excess amount. The estimate would include evaluation whether a claim may exceed such limits and, if so, by how much. A claim or group of claims of this nature could have a material adverse effect on the Company's results from operations. Currently management is not aware of any claims exceeding the coverage limit.

Goodwill and Intangible Assets

The Company performs its goodwill impairment test annually and more frequently if events or changes in circumstances indicate that an impairment loss may have occurred. Impairment is tested at the reporting unit level by comparing the reporting unit's carrying amount to its implied fair value. The methodology used to measure fair value is a discounted cash flow method which is an income approach, and a market approach which estimates fair value using market multiples of appropriate financial measures compared to a set of comparable public companies in

the transportation and logistics industry. The fair value methods require certain assumptions for growth in earnings before interest, taxes and depreciation, future tax rates, capital re-investment, fair value of the assets and liabilities, and discount rate. Actual impairment of goodwill could differ from these assumptions based on market conditions and other factors. In the event goodwill is determined to be impaired, a charge to earnings would be required. At September 30, 2010 the Company completed its annual goodwill impairment test and concluded that there was no impairment.

Property and Equipment

Property and equipment are recorded at cost and depreciated on a straight-line basis over their estimated useful lives. Management establishes appropriate useful lives for all property and equipment based upon, among other considerations, historical experience, change in equipment manufacturing specifications, the used equipment market and prevailing industry practice. Management continually monitors events and changes in circumstances that could indicate that the carrying amounts of property and equipment may not be recoverable. When indicators of potential impairment are present, the recoverability of the assets would be assessed from the estimated undiscounted future operating cash flows expected from the use of the assets. Actual recoverability of assets could differ based on different assumptions, estimates or other factors. In the event that recoverability was impaired, the fair value of the asset would be recorded and an impairment loss would be recognized. Management believes its estimates of useful lives and salvage values have been reasonable as demonstrated by the insignificant amounts of gains and losses on revenue equipment dispositions.

Share-Based Compensation

Under the Company's stock option plan, options to purchase common shares of the Company may be granted to key employees, officers and directors of the Company and its affiliates by the Board of Directors or by the Company's Compensation Committee. The Company accounts for stock options in accordance with FASB ASC 718 with compensation expense amortized over the vesting period based on the Black-Scholes-Merton fair value on the grant date. The assumptions used to value stock options are dividend yield, expected volatility, risk-free interest rate, expected life and anticipated forfeiture. The Company does not pay any dividends on its common shares, therefore the dividend yield is zero. We use the historical method to calculate volatility with the historical period being equal to the expected life of each option. This calculation is then used to approximate the potential for the share price to increase over the expected life of the option. The risk-free interest rate is based on the Government of Canada issued bond rate in effect at the time of the grant. Expected life represents the length of time the option is estimated to be outstanding before being exercised or forfeited. Historical information is used to determine the forfeiture rate.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Significant judgment is required in determining whether deferred tax assets will be realized in full or in part. If it were ever estimated that it is more likely than not that all or some portion of specific deferred tax assets will not be realized, a valuation allowance must be established for the amount of deferred tax assets that is estimated not to be realized. A valuation allowance for deferred tax assets has not been deemed necessary at September 30, 2010. Accordingly, if the facts or financial results were to change, thereby impacting the likelihood of realizing the deferred tax assets, judgment would have to be applied to estimate the amount of valuation allowance required in any given period.

FASB ASC 740-10 requires that uncertain tax positions are evaluated in a two-step process, whereby (1) the Company determines whether it is more likely than not that the tax positions will be sustained based on the technical merits of the position, and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company would recognize the largest amount of tax benefit that is greater than fifty percent likely of being realized upon ultimate settlement with the related tax authority.

Management judgment is also required regarding a variety of other factors, including the appropriateness of tax strategies, expected future tax consequences, and to the extent tax strategies are challenged by taxing authorities. We utilize certain income tax planning strategies to reduce our overall cost of income taxes. It is possible that certain strategies might be disallowed, resulting in an increased liability for income taxes. Significant management judgments are involved in assessing the likelihood of sustaining the strategies and an ultimate result worse than our expectations could adversely affect our results of operations.

QUARTERLY RESULTS (unaudited)

(thousands of dollars except per share amounts)	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2008 Q4
Revenue	$ 182,877	$ 179,007	$ 165,931	$ 165,027	$ 165,916	$ 158,682	$ 139,635	$ 154,235
Goodwill impairment	-	-	-	-	-	-	-	* 107,351
Income (loss) from operations	4,139	4,142	198	(1,951)	2,359	2,037	(2,854)	(111,287)
Net Income (loss)	1,962	1,728	(929)	(2,337)	281	440	(2,356)	(79,002)
Income (loss) per share:								
Basic	$ 0.12	$ 0.11	$ (0.06)	$ (0.14)	$ 0.02	$ 0.03	$ (0.17)	$ (5.85)
Diluted	0.12	0.11	(0.06)	(0.14)	0.02	0.03	(0.17)	(5.85)
Weighted average number of shares:								
Basic	16,277,202	16,266,441	16,266,441	16,266,441	13,886,286	13,498,159	13,498,159	13,498,159
Diluted	16,359,468	16,365,410	16,266,441	16,266,441	14,001,903	13,592,162	13,498,159	13,498,159

* In the fourth quarter of 2008, Vitran recorded a pre-tax non-cash goodwill impairment charge of $107.4 million negatively impacting income from operations.

Definitions of non-GAAP measures:

(1) Operating ratio ("OR") is a non-GAAP financial measure which does not have any standardized meaning prescribed by GAAP. OR is the sum of total operating expenses, divided by revenue. OR allows management to measure the Company and its various segments' operating efficiency. OR is a widely recognized measure in the transportation industry which provides a comparable benchmark for evaluating the Company's performance compared to its competitors. Investors should also note that the Company's presentation of OR may not be comparable to similarly titled measures by other companies. OR is calculated as follows:

	Three months Ended Sept 30, 2010	Three months Ended Sept 30, 2009	Nine months Ended Sept 30, 2010	Nine months Ended Sept 30, 2009
Total operating expenses	$ 178,738	$ 163,557	$ 519,336	$ 462,691
Revenue	$ 182,877	$ 165,916	$ 527,815	$ 464,233
Operating ratio ("OR")	97.7%	98.6%	98.4%	99.7%

(2) A shipment is a single movement of goods from a point of origin to its final destination as described on a bill of lading document.

(3) Weight represents the total pounds shipped.

(4) Revenue per shipment represents revenue divided by the number of shipments.

(5) Revenue per hundredweight is the price obtained for transporting 100 pounds of LTL freight from point to point, calculated by dividing the revenue for an LTL shipment by the hundredweight (weight in pounds divided by 100) for a shipment.

(6) Revenue per total mile represents revenue divided by the total miles driven.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to the impact of interest rate changes. The Company's exposure to changes in interest rates is limited to borrowings under the term bank facilities and revolving credit facilities that have variable interest rates tied to the LIBOR rate. As a majority of the Company's debt is tied to variable interest rates, the Company estimates that the fair value of the long-term debt approximates the carrying value.

(in thousands of dollars)		**Payments due by period**			
Long-term debt	**Total**	**2010**	**2011 & 2012**	**2013 & 2014**	**Thereafter**
Variable Rate					
Term bank facility	$20,036	$ 3,000	$17,036	$ Nil	$ Nil
Average interest rate (LIBOR)	3.29%	3.29%	3.29%		
Revolving bank facility	55,616	Nil	55,616	Nil	Nil
Average interest rate (LIBOR)	3.29%		3.29%		
Fixed Rate					
Capital lease obligations	6,758	959	5,576	223	Nil
Average interest rate	6.15%	6.15%	6.15%	6.15%	
Total	$82,410	$ 3,959	$78,228	$223	$ Nil

The Company uses variable-to-fixed interest rate swaps on its term and revolving credit facilities with a notional amount of $19.0 million at September 30, 2010. The average pay rate on the swaps is 5.07% and the average receive rate is the three-month LIBOR rate, which is currently 0.29%. To value the interest rate swaps, an income model is utilized. Primary inputs into the model that will cause the fair value to fluctuate period-to-period include the fixed interest rates, the future interest rates, credit risk and the remaining time to maturity of the interest rate swaps. Management's intention is to hold the interest rate swaps to maturity.

The Company is exposed to foreign currency risk as fluctuations in the United States dollar against the Canadian dollar can impact the financial results of the Company. The Company's Canadian operations realize foreign currency exchange gains and losses on the United States dollar denominated revenue generated against Canadian dollar denominated expenses. Furthermore, the Company reports its results in United States dollars thereby exposing the results of the Company's Canadian operations to foreign currency fluctuations. In addition, the Company's United States dollar debt of $61.8 million is designated as a hedge of the investment in the United States' self-sustaining foreign operations.

Item 4. Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, the Company carried out an evaluation, under the supervision and with the participation of Company Management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design, implementation and operation of its "disclosure controls and procedures", as such term is defined in Rule 13a-15(e) of the Exchange Act. Based on this evaluation, the Company's CEO and CFO have concluded that the Company's "disclosure controls and procedures" are effective as of September 30, 2010 to enable the Company to record, process, summarize and report in a timely manner the information that the Company is required to disclose in submissions and filings with the SEC in accordance with the Exchange Act.

There were no changes in our internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

The Company is subject to various legal proceedings and claims that have arisen in the ordinary course of its business that have not been fully adjudicated. Many of these are covered in whole or in part by insurance. The Management of Vitran does not believe that these actions, when finally concluded and determined, will have a significant adverse effect upon Vitran's financial condition, results of operations or cash flows.

Item 1A. Risk Factors

See Part 1A of the Company's 2009 Annual Report on Form 10-K.

Item 2. Unregistered Sale of Equity and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None.

Item 4. Removed and Reserved

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

Exhibits

Exhibit Number	Description of Exhibit
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated October 26, 2010
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated October 26, 2010
32.1	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated October 26, 2010

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VITRAN CORPORATION INC.

/s/SEAN P. WASHCHUK
Sean P. Washchuk
Vice President of Finance and
Chief Financial Officer
(Principle Financial Officer)

Date: October 26, 2010

Exhibit 31.1

CERTIFICATIONS

I, Richard E. Gaetz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vitran Corporation Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors:

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2010

/s/ RICHARD E. GAETZ
Richard E. Gaetz
President and
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Sean P. Washchuk, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vitran Corporation Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors:

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2010

/s/ SEAN P. WASHCHUK
Sean P. Washchuk
Vice President, Finance and
Chief Financial Officer

Exhibit 32.1

CERTIFICATION

Each of the undersigned hereby certifies, in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in his capacity as an officer of Vitran Corporation Inc., that, to his knowledge, the Quarterly Report of Vitran Corporation Inc. on Form 10-Q for the three and nine months ended September 30, 2010, fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operation of Vitran Corporation Inc.

Date: October 26, 2010

By: /s/ RICHARD E. GAETZ
Richard E. Gaetz
President and
Chief Executive Officer

By: /s/ SEAN P. WASHCHUK
Sean P. Washchuk
Vice President Finance and
Chief Financial Officer