



**RICHARD E. GAETZ**  
*President & Chief Executive Officer*

### DEAR SHAREHOLDERS,

**Our team at Vitran has worked hard this year. Although on the surface it may appear our achievements were minimal, we did achieve record revenues in 2007 and I believe we have strengthened our foundation for future successes.**

Our margins, however, were squeezed by cost increases, pressure on yield, and a definite softness in the economy, particularly in the United States. We continue to focus on containing costs, enhancing productivity, raising prices, recovering fuel cost increases and, most importantly, building density as we build out our network.

As you may recall, Vitran Corporation acquired an LTL carrier, PJAX Freight System, in the fourth quarter of 2006, and it remains our most significant and sizable acquisition. In fact, the acquisition of PJAX acted as the catalyst to develop a common information technology (IT) platform – or operating system – to support our entire U.S. LTL operation. Completion of this task will bring enormous long-term benefits, highlighted by enhanced customer data, common tracing and tracking systems, and enhanced linehaul visibility throughout all regions, as well as a merged equipment visibility tool throughout these same regions. Further benefits will stretch well beyond those identified, and it is critical for Vitran to operate on a single IT platform today as well as to maintain a platform on which future acquisitions can migrate more quickly and efficiently.

***“ Completion of a common information technology platform will bring enormous long-term benefits, highlighted by enhanced customer data, common tracing and tracking systems, and enhanced linehaul visibility throughout all regions, as well as a merged equipment visibility tool.”***

However, development of the common IT platform has required a significant investment of resources, principally in the diversion of managers and executives from running the business day to day. We are focusing on a strong development and smooth implementation and are confident the long-term benefits will be substantial.

I am also very pleased to report that, despite these diversions, our U.S. LTL team remains strong and intact, including PJAX Freight System's management and sales force. We are working diligently to complete the IT platform and the PJAX integration during the first half of 2008, and we anticipate going forward stronger and better able to execute our growth strategy.

Despite a difficult economic environment our small truckload business unit performed well in 2007. Its revenues were \$32.9 million, marginally better than 2006, and it achieved a respectable 94.9% operating ratio.

Vitran Logistics experienced a breakout year in 2007. Its revenues grew 33% to \$52.9 million and it achieved record operating income of \$3.3 million, up 22% from 2006. We look forward to strong growth again in 2008.

We made our first logistics purchase with the December 1, 2007, acquisition of Las Vegas/L.A. Express, Inc., a small company located in California. This acquisition is consistent with Vitran's logistics strategy: it has a retail focus, works with large North American retailers, and sets the stage for us to expand these relationships.

The environment remains difficult, but we expect to resume our aggressive search for strategic LTL companies as 2008 evolves.

In closing, I would like to thank Vitran shareholders for their support. I look forward to reporting to you on developments in the months ahead. In addition to thanking everyone in our entire organization, I express my gratitude, once again, to our customers and suppliers. Lastly, thanks to our Board of Directors for their important work on behalf of all stakeholders.



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