

Tri-White Corporation

Press Release

February 3, 2000

TRI-WHITE CORPORATION - RESULTS OF OPERATIONS FOR THE SECOND QUARTER ENDED December 31, 1999

Tri-White Corporation (TSE, WSE: TWH) today announced the financial results for the Second Quarter ended December 31, 1999.

Revenue for the 2nd quarter of the current fiscal year was \$34.6 million, as compared with \$33.3 million in the previous year. YTD revenue was \$88.5 million, compared with \$84.6 million in the previous year.

Operating earnings for the current quarter were \$1.2 million compared with \$1.9 million in the previous year.

Net earnings for the quarter were \$0.8 million, or \$0.015 per share. Net earnings in the previous year were \$1.2 million, or \$0.024 per share. Year to date net earnings at \$8.0 million, or \$0.16 per share, compares with \$8.0 million in the previous year, or \$0.16 per share.

The reduction in Second Quarter net earnings is largely attributable to the slowdown in revenues, and earnings, in our High-Tech division, which is closely linked to the computer industry and therefore was impacted by Y2K concerns.

Shareholders' equity at December 31, 1999 was \$91.0 million for a net book value of \$1.83 per share.

John Lokker, Vice-President was quoted as saying:

"Our White Pass operation closed for the 1999 tourist season late in September and will reopen in May 2000 when the cruise ships again travel to Alaska. The 1999 season was another record for White Pass and plans are underway to cater for a further increase expected in the upcoming season.

Expansion of one of our docks continues and will be completed by June of this year, which will enable larger vessels to tie up at that dock.

We are pleased to announce that Canada Post will be issuing a stamp in May 2000 under their 2000 Stamp Program, Tourist Attractions Series, depicting the historical White Pass & Yukon Route.

We are proud of this Historic Operation and appreciate the recognition we have received from Canada Post.

The buoyant economy in the USA and Canada continues to have a positive effect on the results of our Tri-Line Truckload and Logistics divisions, although the driver shortage continues to be a problem. Despite this, both divisions were able to achieve growth while satisfying customer needs.

We expect the driver shortage to continue well into the year 2000, which should have a positive effect on rate levels.

However, the dramatic increase in fuel prices in the past months is placing pressure on the cost structure, and the Trucking division has been forced to impose surcharges in an effort to cover this increasing cost. We do not anticipate a decline in oil prices in the foreseeable future.

Our High-Tech division was affected by the year end computer concerns and, as it provides a full range of service offerings to the computer industry, most businesses slowed down or stopped replacement and upgrade plans during the latter half of 1999.

With the uneventful passing of January 1, 2000, we do expect that this segment of the economy will grow as businesses strive to take advantage of the e-business opportunities which have become a cornerstone of the new economy.

During the current quarter, the Corporation purchased 954,400 shares under its Normal Course Issuer Bid for cancellation at an average purchase price of \$2.12 per share. Year to date purchases under this program is 1,425,000 shares, for an average price of \$2.10.

There are currently 49,584,864 shares outstanding."

The Tri-White group is comprised of:

Tri-Line Expressways with 500 power units servicing the Canadian, US and Mexican truck load market, and the High-Tech and Logistics divisions, and

The White Pass & Yukon Route, which operates a tourist train operation on the historic Klondike Gold Rush rail system between Skagway, Alaska and Whitehorse, Yukon Territory.

For the Second Quarter and Year to Date to December 31, 1999

CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited (\$'000's omitted)

(except for share data)

CONSOLIDATED STATEMENTS OF OPERATIONS

	Quarter to Dec. 31, 1999	Year to Date Dec. 31, 1999	Quarter to Dec. 31, 1998	Year to Date Dec. 31, 1998
Revenue	34,554	88,450	33,285	84,575
Cost of sales, selling and administrative expenses	33,024	74,018	31,767	70,152
Depreciation and amortization	520	2,244	623	2,185
	33,544	76,262	32,390	72,337
Net income before interest and income taxes	1,010	12,188	895	12,238
Other income				
Interest income	146	209	80	91
Gain on sale of capital assets	203	297	1,030	1,097
	349	506	1,110	1,188
Earnings before income taxes	1,359	12,694	2,005	13,426
Income taxes	584	5,212	802	5,387
Net Income after income taxes	775	7,482	1,203	8,039
Extraordinary after tax gain	-	545	-	-
Net earnings for the period	775	8,027	1,203	8,039
Average # shares outstanding	50,287,647	50,567,018	51,009,864	51,009,864
Earnings per share, basic	\$ 0.02	\$ 0.16	\$0.02	\$0.16
Earnings per share, fully diluted	\$ 0.02	\$ 0.16	\$0.02	\$0.16
Book value per share	\$ 1.83	\$ 1.83	\$1.63	\$1.63

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

	Quarter to Dec. 31, 1999	Year to Date Dec. 31, 1999	Quarter to Dec. 31, 1998	Year to Date Dec. 31, 1998
Balance, beginning of period	23,238	16,325	11,093	4,257
Net earnings	775	8,027	1,203	8,039
Excess of repurchase price of Common Shares over average carrying value	(782)	(1,121)	—	—
Balance, end of period	23,231	23,231	12,296	12,296

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Quarter to Dec. 31, 1999	Year to Date Dec. 31, 1999	Quarter to Dec. 31, 1998	Year to Date Dec. 31, 1998
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Earnings	775	8,027	1,203	8,039
Items not requiring (providing) cash				
Depreciation and amortization	520	2,244	623	2,185
Gain on sale of capital assets	(203)	(297)	(1,030)	(1,097)
Differed income taxes	306	973	4,392	4,675
Net Changes in operating assets and liabilities	668	5,148	(4,088)	4,973
Cash flow from operations	2,066	16,095	1,100	18,775
CASH FLOW FROM FINANCIAL ACTIVITIES				
Cumulative translation adjustment	135	(205)	(204)	(204)
	135	(205)	(204)	(204)

CASH FLOW FROM INVESTING
ACTIVITIES

Purchase of capital assets	(5,736)	(8,078)	(3,057)	(5,527)
Proceeds on sale of capital assets	231	325	1,115	1,237
Provisions for site restoration	(806)	(1,524)	(4,122)	(6,312)
Shares purchased for cancellation	(2,063)	(3,008)	–	–
	(8,374)	(12,285)	(6,064)	(10,602)
Total cash generated during the period	(6,173)	3,605	(5,168)	7,969
	11,965	2,187	11,746	(1,391)
CASH POSITION, END OF PERIOD	5,792	5,792	6,578	6,578
Cash on hand and short term investment	5,792	5,792	6,568	6,578

CONSOLIDATED BALANCE SHEETS AS AT SEPTEMBER 30, 1999

	December 31, 1999	December 31, 1998
ASSETS		
CURRENT ASSETS		
Cash on hand and short term investments	5,792	6,578
Accounts receivable	19,451	19,035
Inventories	3,153	2,772
Prepaid expenses and other assets	3,356	3,032
	31,752	31,417
CAPITAL ASSETS		
Land, buildings and equipment	115,943	110,509
Accumulated depreciation	28,377	28,074
	87,566	82,435
TOTAL ASSETS	119,318	113,852
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	15,851	13,835
Current portion of site restoration	1,220	2,560
Income taxes payable	932	1,918
	18,003	18,313
DEFERRED INCOME TAXES	6,834	4,123
PROVISION FOR SITE RESTORATION	3,514	8,172

SHAREHOLDERS' EQUITY		
Capital stock		
49,539,264 common shares	65,660	67,547
Retained earnings	23,231	12,296
Cumulative translation adjustment	2,076	3,401
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TOTAL SHAREHOLDERS' EQUITY	90,967	83,244
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TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	119,318	113,852
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