

# TRI-WHITE

## CORPORATION

FOR IMMEDIATE RELEASE  
 TORONTO, ONTARIO  
 TSX:TWH

November 9, 2006

### TRI-WHITE CORPORATION ANNOUNCES THIRD QUARTER 2006 RESULTS AND REGULAR DIVIDEND OF \$0.06 PER SHARE

#### Financial Highlights

(in thousands of dollars except per share amounts)	Three months ended		Year-to-date	
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
Revenue	25,723	26,264	40,373	41,737
EBITDA <sup>(1)</sup>	16,999	16,774	22,260	22,660
Interest and other income (expense)	(7)	(240)	(288)	1,679
Equity earnings	2,919	2,767	11,698	2,289
Provision for income taxes	4,037	7,441	7,950	10,182
Net earnings	15,080	11,031	23,345	13,949
Earnings per share – basic	\$0.66	\$0.48	\$1.02	\$0.61
Weighted average shares outstanding (000's)	22,935	22,926	22,932	22,896

(1) EBITDA is not a recognized performance measure under Canadian GAAP. EBITDA is defined as earnings before taxes, interest, depreciation, amortization and earnings from equity accounted investments. Management believes that in addition to net earnings, this measure is useful supplemental information to provide investors with an indication of income available prior to debt service, capital expenditures and income taxes. Investors should be cautioned, however, that this measure should not be construed as an alternative to net earnings determined in accordance with GAAP as an indicator of the Company's financial performance.

**TODAY, THE COMPANY ANNOUNCED THE REGULAR DIVIDEND OF \$0.06 PER SHARE TO BE PAID ON DECEMBER 29<sup>TH</sup> TO SHAREHOLDERS OF RECORD AS AT DECEMBER 12<sup>TH</sup>.**

# TRI-WHITE

## C O R P O R A T I O N

### Third Quarter Operating Highlights

The tourist operations at White Pass and the golf operations of the Company's equity accounted investment in ClubLink Corporation ("ClubLink") are highly seasonal. The majority of the revenue and earnings from these businesses occur during the third quarter of the year. Accordingly, the earnings of the Company will fluctuate with those of the underlying business units.

The operating season for the railway commenced in May. Accordingly, the revenue for the Company increases sharply during the summer versus the second quarter due to a full three months of operating activity. The rail system carried 276,453 passengers, which represents a slight increase in volume compared to the prior year.

Virtually all of the Company's operating income originates from White Pass, based in Alaska. The results of this subsidiary, which are deemed self-sustaining, are translated into Canadian currency using average rates for the period. Changes in exchange rates can impact the net earnings of Tri-White.

EBITDA for the three months ended September 30, 2006 was \$16,999 compared with \$16,774 for the three months ended September 30, 2005. The EBITDA increased by \$225 (1.3%) over the same period last year. Actual US dollar EBITDA at White Pass increased by 8% compared to Q3 2005. The decline in reported EBITDA (in Canadian currency) is due to strengthening of the Canadian dollar.

Tri-White has significant ownership in two public entities, for which it records income on an equity basis. ClubLink Corporation ("ClubLink") is Canada's largest owner, operator and developer of high-quality Member Golf Clubs, Daily Fee Golf Clubs and Golf Resorts, with 36 golf courses open for play in 2006. Like the White Pass port and tourist operations, ClubLink operates in a highly seasonal market. For the three months ended September 30, 2006 the Company recorded equity income of \$2.5 million compared to equity income of \$2.2 million during the three months ended September 30, 2005. These amounts are based on a weighted average ownership of 31.4% and 31.3% for the respective quarters. The Company received dividends of \$0.3 million during the quarter in 2006 and \$0.2 million in 2005.

The Company also accounts for its investment in Renasant Financial Partners Ltd. ("Renasant", formerly Clearlink Capital Corporation) using the equity method. On March 8, 2006, Renasant completed the sale of its active leasing business and now maintains the bulk of its assets in cash and marketable securities. Since Renasant has a financial year-end of March 31, 2006, the Company has determined that it will record its equity interest in Renasant on a three-month trailing basis. The equity income recorded by Tri-White for the quarter ended September 30, 2006 was \$410 (2005 -\$519). This was based on the operating results of Renasant for the three months ended June 30, 2006. Dividends of \$ 22,182 were received in the quarter ended September 30, 2006 (September 30, 2005 -\$310). This dividend has been reflected as return of capital of \$10,073 as part of investing activities and \$12,109 as a distribution in operating cash flow.

During the quarter the Company purchased an additional 70,000 shares of Renasant at a cost of \$762. The Company's ownership interest in Renasant as at September 30, 2006 stands at 35.8%.

Long-term investments include 5.4 million shares of ClubLink carried at \$22.5 million, 3.2 million shares of Renasant carried at \$14.7 million. The market value of these securities exceeds their carrying cost by \$29.8 million at September 30, 2006. During the quarter Renasant paid a special dividend of \$7.00 per share payable on September 15, 2006 to shareholders on record as at August 31, 2006.

# TRI-WHITE

## C O R P O R A T I O N

### **Outlook**

The State of Alaska has recently announced a series of taxation initiatives directed at the cruise ship activities. The Company has not yet been able to determine the impact of this legislation on its tourism operations.

The Company's main operating subsidiary, White Pass, remains focused on a series of programs aimed at improving margins through cost control and pricing initiatives. Currency fluctuations will continue to impact reported results.

The merchant banking activities will concentrate on the substantial investments in ClubLink and Renasant. The primary objective of the Company is to build the underlying value of these investments, and over the long term, deliver enhanced returns.

The Company has been approved by the Toronto Stock Exchange to make a normal course issuer bid to purchase up to 1,146,771 common shares. The program expires September 19, 2007. During the nine months ended September 30, 2006 the Company did not purchase or cancel any shares (September 30, 2005 - nil).

### **Dividend**

The Company continued with its regular quarterly dividend program and paid a dividend of \$0.06 per share, or \$1.3 million, on September 29<sup>th</sup>, 2006.

### **Financial statements are attached.**

*Statements contained herein that are not based on historical or current fact, including without limitation statements containing the words "anticipates," "believes," "may," "continue," "estimate," "expects," and "will" and words of similar import, constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, both nationally and in the regions in which the Company operates; changes in business strategy or development/acquisition plans; environmental exposures; financing risk; existing governmental regulations and changes in, or the failure to comply with, governmental regulations; liability and other claims asserted against the Company; and other factors referenced in the Company's filings with Canadian securities regulators. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not assume the obligation to update or revise any forward-looking statements.*

*Management's discussion and analysis, financial statements and other disclosure information relating to the Company is available through SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company website at [www.tri-white.com](http://www.tri-white.com).*

### **FOR FURTHER INFORMATION PLEASE CONTACT:**

Mr. Donald Turple,  
Chief Financial Officer  
One University Avenue, Suite 1400  
Toronto, Ontario M5J 2P1  
Phone: (416) 367-6877  
Fax: (416) 367-6890  
[dturple@morguard.com](mailto:dturple@morguard.com)

**TRI-WHITE CORPORATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**September 30, 2006**

Tri-White Corporation  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

As at	September 30, 2006	December 31, 2005
(in thousands of dollars)	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	44,465	20,469
Amounts receivable	5,029	654
Loan receivable	-	7,000
Material and supplies	4,704	4,618
Prepays and other assets	1,138	473
Portfolio investments	3	3
	55,339	33,217
Long-term investments	39,117	48,262
Capital assets	70,402	73,864
<b>Total assets</b>	<b>164,858</b>	<b>155,343</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Bank indebtedness	21,523	15,139
Promissory notes	-	17,935
Accounts payable and accrued liabilities	4,650	3,985
Income and other taxes payable	7,202	517
	33,375	37,576
Future income tax liabilities	15,245	17,471
<b>Total liabilities</b>	<b>48,620</b>	<b>55,047</b>
<b>Shareholders' equity</b>		
Share capital	61,264	61,216
Cumulative translation adjustment	(17,057)	(13,688)
Contributed surplus	176	130
Retained earnings	71,855	52,638
<b>Total shareholders' equity</b>	<b>116,238</b>	<b>100,296</b>
<b>Total liabilities and shareholders' equity</b>	<b>164,858</b>	<b>155,343</b>

Tri-White Corporation

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS  
(UNAUDITED)

	Three months ended		Nine months ended	
	Sept 30, 2006	Sept 30, 2005	Sept 30, 2006	Sept 30, 2005
(in thousands of dollars, except for per share amounts)	\$	\$	\$	\$
<b>REVENUE</b>	<b>25,723</b>	26,264	<b>40,373</b>	41,737
Cost of sales and operating expenses	<b>8,724</b>	9,490	<b>18,113</b>	19,077
<b>Earnings from operations before the undernoted</b>	<b>16,999</b>	16,774	<b>22,260</b>	22,660
Amortization	<b>801</b>	829	<b>2,375</b>	2,497
<b>Earnings before other income (expense) and income taxes</b>	<b>16,198</b>	15,945	<b>19,885</b>	20,163
<b>OTHER INCOME (EXPENSE)</b>				
Investment income	<b>535</b>	610	<b>1,159</b>	1,599
Interest expense	<b>(557)</b>	(710)	<b>(1,590)</b>	(1,735)
Net (loss) gain on sale of assets	<b>(3)</b>	-	<b>(3)</b>	589
Unrealized foreign exchange gain (loss)	<b>18</b>	(140)	<b>146</b>	(102)
Income from equity accounted investments	<b>2,926</b>	2,767	<b>11,698</b>	2,289
Net gain on insurance claim	-	-	-	1,328
	<b>2,919</b>	2,527	<b>11,410</b>	3,968
<b>Earnings before income taxes</b>	<b>19,117</b>	18,472	<b>31,295</b>	24,131
Provision for income taxes				
Current	<b>6,954</b>	6,587	<b>9,472</b>	8,457
Future	<b>(2,917)</b>	854	<b>(1,522)</b>	1,725
	<b>4,037</b>	7,441	<b>7,950</b>	10,182
<b>Net earnings for the period</b>	<b>15,080</b>	11,031	<b>23,345</b>	13,949
Retained earnings, beginning of period	<b>58,150</b>	46,115	<b>52,638</b>	45,946
Dividends	<b>(1,375)</b>	(1,376)	<b>(4,128)</b>	(4,125)
<b>Retained earnings, end of period</b>	<b>71,855</b>	55,770	<b>71,855</b>	55,770
<b>Earnings per share</b>				
Basic	<b>0.66</b>	0.48	<b>1.02</b>	0.61
Diluted	<b>0.65</b>	0.48	<b>1.01</b>	0.60

Tri-White Corporation

CONSOLIDATED STATEMENTS OF CASH FLOW  
(UNAUDITED)

	Three months ended		Nine months ended	
	Sept 30, 2006	Sept 30, 2005	Sept 30, 2006	Sept 30, 2005
(in thousands of dollars)	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Net earnings for the period	15,080	11,031	23,345	13,949
Items not affecting cash				
Amortization	801	829	2,375	2,495
Future income taxes	(2,917)	854	(1,522)	1,725
Net loss (gain) on sale of assets	3	-	3	(589)
Net gain on insurance claim	-	-	-	(1,328)
Income from equity accounted investments	(2,926)	(2,767)	(11,698)	(2,289)
Net unrealized foreign exchange loss (gain)	(18)	140	(146)	102
Stock compensation expense	15	30	46	63
Asset retirement obligations expenditures	-	-	-	-
Distributions from equity accounted investments	12,377	524	13,532	1,572
Net change in operating assets and liabilities	7,364	6,976	2,228	3,196
	<b>29,779</b>	<b>17,617</b>	<b>28,163</b>	<b>18,896</b>
<b>FINANCING ACTIVITIES</b>				
Promissory notes repayment	(6,000)	-	(17,935)	-
Proceeds on issue of common shares	-	-	-	198
Dividends paid	(1,360)	(1,350)	(4,080)	(4,055)
Net proceeds (payments) of bank indebtedness	183	(8,338)	6,384	14,251
	<b>(7,177)</b>	<b>(9,688)</b>	<b>(15,631)</b>	<b>10,394</b>
<b>INVESTING ACTIVITIES</b>				
Proceeds on sale of capital assets and investments	4	-	4	1,589
Proceeds on insurance claim	-	-	-	1,830
Purchase of capital assets	(1,091)	(2,099)	(2,100)	(5,146)
Purchase of investments	(762)	-	(762)	(16,319)
Return of capital	10,073	-	10,073	-
Advances of loan receivable	-	(716)	-	(8,966)
Repayment of loan receivable	5,000	944	5,000	2,845
	<b>13,224</b>	<b>(1,871)</b>	<b>12,215</b>	<b>(24,167)</b>
<b>Net effect of currency translation on cash and cash equivalents</b>	<b>(93)</b>	<b>282</b>	<b>(751)</b>	<b>(354)</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>35,733</b>	<b>6,340</b>	<b>23,996</b>	<b>4,769</b>
Cash and cash equivalents, beginning of period	8,732	3,337	20,469	4,908
<b>Cash and cash equivalents, end of period</b>	<b>44,465</b>	<b>9,677</b>	<b>44,465</b>	<b>9,677</b>