Form 51 – 102F4

Business Acquisition Report

Item 1 Identity of Company

1.1 Name and Address of Company

TFI International Inc. ("**TFI**")
8801 Trans-Canada Hwy
Suite 500
Saint-Laurent, Québec H4S 1Z6

1.2 Executive Officer

Mr. Alain Bédard, Chairman, President and Chief Executive Officer of TFI, is knowledgeable about the significant acquisition referred to herein and this Business Acquisition Report. Mr. Bédard's business telephone number is (647) 729-4079.

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

TFI acquired the North American truckload ("**TL**") operation of XPO Logistics, Inc. (the "**Acquired Business**") through the acquisition of Transportation Resources, Inc. and its subsidiaries.

With an operating history of more than 60 years, the Acquired Business is a top-20 carrier headquartered in Joplin, Missouri. The Acquired Business provides an integrated offering of point-to-point dry-van TL transportation services across the United States, and is one of the largest service providers of cross-border trucking into Mexico. The Acquired Business has an extensive U.S. network, including 29 locations, approximately 3,000 tractors and 7,500 trailers through a combination of owned fleet and independent contractors.

2.2 Acquisition Date

October 27, 2016.

2.3 Consideration

TFI paid approximately US$558 million in cash for the Acquired Business, subject to customary adjustments.

TFI paid the purchase price through TFI's existing credit facilities, and through a new CA$500 million acquisition facility which was fully underwritten by National Bank of Canada and Royal Bank of Canada.

2.4 Effect on Financial Position

TFI does not currently have any plans or proposals for material changes in its business affairs or the affairs of the Acquired Business which may have a significant effect on the financial performance or financial position of TFI.

2.5 Prior Valuations

Neither the Acquired Business nor TFI obtained any valuation opinion within the last twelve months required by securities legislation or a Canadian exchange or market to support the consideration paid by TFI or any of its subsidiaries for the Acquired Business.

2.6 Parties to Transaction

The transaction described herein was not with an informed person, associate or affiliate of TFI.

2.7 Date of Report

February 1, 2017.

Item 3 Financial Statements and Other Information

The year-end of Transportation Resources, Inc. was changed to October 26 by its Board of Directors as a result of a deemed year-end being triggered by the change of control resulting from the acquisition by TFI.

The following financial statements of the Acquired Business are annexed to this Business Acquisition Report as Schedule A and form an integral part hereof:

(a) audited consolidated financial statements of Transportation Resources, Inc., which comprise the consolidated balance sheet as at October 26, 2016 and as at December 31, 2015 (unaudited), the consolidated statements of income, comprehensive income, cash flows and changes in parent’s investment and accumulated other comprehensive loss for the period January 1, 2016 to October 26, 2016 and the year ended December 31, 2015 (unaudited), and notes, comprising a summary of significant accounting policies and other explanatory information.

The following financial statements are also annexed to this Business Acquisition Report as Schedule B and form an integral part hereof:

(a) an unaudited *pro forma* consolidated statement of financial position of TFI as at September 30, 2016 that gives effect to the acquisition of the Acquired Business as if it had taken place at such date;

(b) an unaudited *pro forma* condensed consolidated statement of incomes of TFI for the nine-month period ended September 30, 2016 and for the fiscal year ended December 31, 2015 that gives effect to the acquisition of the Acquired Business as if it had occurred on January 1, 2015; and

(c) *pro forma* earnings per share based on the *pro forma* financial statements referred to in paragraph (b) above.

SCHEDULE A

See attached document

CONSOLIDATED FINANCIAL STATEMENTS

Transportation Resources, Inc.

For the January 1, 2016 to October 26, 2016 period
and the year ended December 31, 2015 (unaudited)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of TransForce Inc.

We have audited the accompanying consolidated financial statements of Transportation Resources, Inc., which comprise the consolidated balance sheet as at October 26, 2016, the consolidated statements of income, comprehensive income, cash flows and changes in parent's investment and accumulated other comprehensive loss for the period January 1, 2016 to October 26, 2016, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Transportation Resource, Inc. as at October 26, 2016, and its consolidated results of operations and its consolidated cash flows for the period then ended in accordance with U.S. generally accepted accounting principles.

Comparative Information

The consolidated financial statements of Transportation Resources, Inc. as at and for the year-ended December 31, 2015 are unaudited. Accordingly, we do not express an opinion on them.

KPMG LLP*

January 27, 2017

Montréal, Canada

*CPA auditor, CA, public accountancy permit No. A109612

Transportation Resources, Inc.
Consolidated Balance Sheets

(*In thousands of dollars*)	October 26, 2016	December 31, 2015
Assets		(Unaudited)
Current assets		
Cash and cash equivalents	$ 14,277	$ 13,181
Trade accounts receivable, net	57,663	55,576
Other accounts receivable	3,401	1,748
Operating supplies, at lower of average cost or market	1,552	1,438
Prepaid expenses	7,491	11,847
Deferred income taxes	2,756	6,609
Total current assets	87,140	90,399
Property, plant and equipment		
Land	18,967	18,967
Buildings and leasehold improvements	37,672	37,616
Rolling stock	530,535	536,087
Other equipment	12,652	12,666
	599,826	605,336
Accumulated depreciation	(240,352)	(205,449)
Net property, plant and equipment	359,474	399,887
Other assets		
Deferred charges and other assets	1,479	378
Capitalized software, net	612	965
Intangible assets, net	1,995	3,927
Goodwill	267,085	267,085
	271,171	272,355
Total assets	$ 717,785	$ 762,641

The accompanying notes are an integral part of these consolidated financial statements.

Transportation Resources, Inc.
Consolidated Balance Sheets (continued)

(*In thousands of dollars*)	October 26, 2016	December 31, 2015 (Unaudited)
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	$ 26,230	$ 21,530
Accrued liabilities	11,880	14,053
Self-insurance accruals	9,992	13,503
Total current liabilities	48,102	49,086
Long-term liabilities		
Self-insurance accruals	12,715	10,428
Employee benefits	265	1,077
Other liabilities and deferred credits	116	310
Deferred income taxes	117,486	118,941
Total liabilities	178,684	179,842
Commitments and contingencies		
Parent's investment and accumulated other comprehensive loss		
Parent's investment	543,154	585,929
Accumulated other comprehensive loss	(4,053)	(3,130)
Total parent's investment and accumulated other comprehensive loss	539,101	582,799
Total liabilities, parent Investment and accumulated other comprehensive loss	$ 717,785	$ 762,641

The accompanying notes are an integral part of these consolidated financial statements.

Transportation Resources, Inc.
Consolidated Statements of Income

(In thousands of dollars)	Period ended October 26, 2016	Year ended December 31, 2015 (Unaudited)
Revenue	$ 431,882	$ 561,536
Costs and expenses		
Salaries, wages and employee benefits	153,396	198,994
Fuel and fuel related taxes	60,466	91,603
Depreciation and amortization	52,882	68,570
Purchased transportation	61,585	66,804
Other operating expenses	49,585	64,268
Maintenance	29,104	35,913
Rents and leases	1,283	1,480
Purchased labor	917	920
Impairment of goodwill	-	62,700
	409,218	591,252
Operating income (loss)	22,664	(29,716)
Other income (expenses)		
Investment income	318	234
Interest expense	(1)	(18)
Miscellaneous, net	556	930
	873	1,146
Income (loss) before income tax provision	23,537	(28,570)
Income tax provision	8,903	14,552
Net income (loss)	$ 14,634	$ (43,122)

The accompanying notes are an integral part of these consolidated financial statements.

Transportation Resources, Inc.
Consolidated Statements of Comprehensive Income

(In thousands of dollars)	Period ended October 26, 2016	Year ended December 31, 2015 (Unaudited)
Net income (loss)	$ 14,634	$ (43,122)
Other comprehensive income (loss)		
Foreign currency translation adjustment	(955)	(1,340)
Employee benefit plans, net of tax	32	149
Total other comprehensive loss	(923)	(1,191)
Comprehensive income (loss)	$ 13,711	$ (44,313)

The accompanying notes are an integral part of these consolidated financial statements.

Transportation Resources, Inc.
Consolidated Statements of Cash Flows

(In thousands of dollars)	Period ended October 26, 2016	Year ended December 31, 2015 (Unaudited)
Operating activities		
Net income (loss)	$ 14,634	$ (43,122)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	52,882	68,570
Impairment of goodwill	-	62,700
Deferred income taxes	2,367	164
Gain from assets held for sale	-	(1,091)
Gain from sales of property and equipment, net	(494)	(4,852)
Changes in operating assets and liabilities:		
Receivables	(3,740)	955
Prepaid expenses	4,356	725
Accounts payable	4,700	475
Accrued liabilities	(2,173)	1,395
Self-insurance accruals	(1,224)	(8,134)
Income taxes payable	-	(1,027)
Other	(2,221)	1,813
Net cash provided by operating activities	69,087	78,571
Investing activities		
Capital expenditures	(20,485)	(125,678)
Proceeds from sales of property and equipment	10,836	46,396
Software expenditures	(41)	(604)
Proceeds for assets held for sale (net of expenses of $309)	-	3,675
Net cash used in investing activities	(9,690)	(76,211)
Financing activities		
Net transfers to parent	(58,301)	766
Repayment of long-term debt	-	(550)
Net cash used in financing activities	(58,301)	216
Net increase in cash and cash equivalents	1,096	2,576
Cash and cash equivalents, beginning of period	13,181	10,605
Cash and cash equivalents, end of period	$ 14,277	$ 13,181

The accompanying notes are an integral part of these consolidated financial statements.

Transportation Resources, Inc.
Consolidated Statements of Changes in Parent's Investment and Accumulated Other Comprehensive Loss

(In thousands of dollars)	Parent's investment	Accumulated other comprehensive loss
Balance, December 31, 2014 (Unaudited)	$ 627,099	$ (1,939)
Net loss	(43,122)	-
Other comprehensive income (loss)		
Foreign currency translation adjustment	-	(1,340)
Employee benefit plans, net of tax of $5	-	149
Transfers to parent, net	1,952	-
Balance, December 31, 2015 (Unaudited)	$ 585,929	$ (3,130)
Net income	14,634	-
Other comprehensive income (loss)		
Foreign currency translation adjustment	-	(955)
Employee benefit plans, net of tax of $31	-	32
Transfers to parent, net	(57,409)	-
Balance, October 26, 2016	$ 543,154	$ (4,053)

The accompanying notes are an integral part of these consolidated financial statements.

Transportation Resources, Inc.
Notes to Consolidated Financial Statements

1. Principal Accounting Policies

Basis of presentation

The consolidated financial statements include the accounts of Transportation Resources, Inc. and its subsidiaries. This group of companies is commonly referred to as XPO Logistics Truckload ("Truckload"). On October 30, 2015, XPO Logistics Inc., ("XPO") acquired 100% of Con-way Inc. ("Con-way") and all of its subsidiaries, including Truckload, in a stock purchase. Prior to October 30, 2015, Con-way owned 100% of the capital stock of Truckload. On October 27, 2016 TFI International Inc. (formerly TransForce Inc.) acquired 100% of Truckload from XPO.

The consolidated financial statements are presented as if Truckload had operated on a stand-alone basis and include certain assets and liabilities that have been historically recorded at XPO or Con-way but are specifically identifiable or otherwise attributable to Truckload. No portion of XPO's or Con-way's borrowings or related interest expense have been allocated to Truckload. The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("US"). All significant intercompany accounts and transactions have been eliminated.

Transactions between Truckload and XPO or Con-way included in these consolidated financial statements are generally settled through advances payable to or receivable from XPO or Con-way. Transactions that impacted the advances balance are reported as financing activities in the consolidated statements of cash flows. The net effect of these transactions is included in the consolidated balance sheets as parent's investment, which includes also the carrying value of the capital stock. Parent's investment represents XPO's historical investment in Truckload, the net effects of cost allocations from transactions with XPO or Con-way, net cash transfers to or from XPO or Con-way and Truckload's accumulated earnings.

Significant changes could have occurred in the funding and operations of Truckload had it operated as an independent stand-alone entity, including an increase in third-party debt and financial guarantee requirements, which could have significantly affected its financial condition, cash flows and results of operations. As a result, the financial information included herein is not necessarily indicative of the financial condition, cash flows and results of operations of Truckload that may have occurred if it were a stand-alone entity.

Truckload adopted ASU 2014-17 Pushdown Accounting effective January 1, 2015. This guidance provides companies with the option to apply pushdown accounting for each change of control event. On October 30, 2015, XPO acquired Con-way and all of its subsidiaries, including Truckload, in a stock purchase. Pushdown accounting was not elected for this change in control and therefore the accounts remained at their pre-existing balances. When Truckload was acquired by Con-way, pushdown accounting was applied which resulted in the assets and liabilities being recorded at fair value at the time and the creation of goodwill.

The information presented as of and for the year ended December 31, 2015 is unaudited.

Description of business

Truckload is a full truckload motor carrier that utilizes a fleet of tractors and trailers to provide short- and long-haul, asset- based transportation services throughout North America. Truckload provides dry-van transportation services to manufacturing, industrial and retail customers while using single drivers as well as two-person driver teams over long-haul routes, with each trailer containing only one customer's goods.

Description of business (continued)

Truckload offers "through-trailer" service into and out of Mexico through major gateways in Texas, Arizona and California. This service eliminates the need for shipment transfer and/or storage fees at the border and typically involves equipment- interchange operations with various Mexican motor carriers. For a shipment with an origin or destination in Mexico, Truckload provides transportation for the domestic portion of the freight move, and a Mexican carrier provides the pick-up, linehaul and delivery services within Mexico.

Estimates

Management makes estimates and assumptions when preparing the consolidated financial statements in conformity with accounting principles generally accepted in the US. These estimates and assumptions affect the amounts reported in the accompanying consolidated financial statements and notes. Changes in estimates are recognized in accordance with the accounting rules for the estimate, which is typically in the period when new information becomes available. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenue and expenses. Such estimates relate to revenue-related adjustments, impairment of goodwill and long-lived assets, amortization and depreciation, income taxes, self-insurance accruals, pension plan and postretirement obligations, contingencies, and assets and liabilities recognized in connection with acquisitions, restructurings and dispositions.

Truckload evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. Estimates and assumptions are adjusted when facts and circumstances dictate. Volatility in financial markets and changing levels of economic activity increase the uncertainty inherent in such estimates and assumptions. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the consolidated financial statements in future periods.

Recognition of revenues

Truckload recognizes revenue and related direct costs when the shipment is delivered.

Truckload collects certain taxes from customers that it remits to governmental authorities. These collections are presented on a net basis.

Revenue by category

(In thousands of dollars)	Period ended October 26, 2016	Year ended December 31, 2015
		(Unaudited)
Freight	$ 372,653	$ 463,269
Logistics	11,427	14,711
Fuel surcharge	41,596	75,452
Other	6,206	8,104
Total revenue	$ 431,882	$ 561,536

Cash equivalents

Cash equivalents consist of short-term interest-bearing instruments with maturities of three months or less at the date of purchase. As at October 26, 2016 and December 31, 2015, investments in cash equivalents of $10.4 million and $11.1 million, respectively, consisted of commercial paper.

Trade accounts receivable, net

Truckload reports accounts receivable at net realizable value and provides an allowance when losses are probable. Estimates for uncollectible accounts are based on various judgments and assumptions, including revenue levels, historical loss experience and the aging of outstanding accounts receivable. The allowance for uncollectible accounts at October 26, 2016 and December 31, 2015 was $0.7 million and $0.2 million, respectively.

Property, plant and equipment

Property, plant and equipment are reported at historical cost and are depreciated on a straight-line basis over their estimated useful lives, 5 to 40 years for buildings and leasehold improvements, 4 to 10 years for rolling stock equipment and 3 to 10 years for most other equipment. Depreciation expense was $50.6 million for the period ended October 26, 2016 and $65.9 million for the year ended December 31, 2015.

Expenditures for equipment maintenance and repairs are charged to operating expenses as incurred, and betterments are capitalized. Gains or losses on sales of equipment and property are recorded in other operating expenses.

Tires and maintenance

The cost of replacement tires are expensed at the time those tires are placed into service as is the case with other repairs and maintenance costs. The cost of tires on new revenue equipment is capitalized and depreciated over the estimated useful life of the related equipment.

Capitalized software

Net capitalized software consists of costs to purchase and develop internal-use software. Amortization of capitalized software is computed over a period of three to five years, depending on the estimated useful life of the software. Amortization expense related to capitalized software was $0.4 million for the period ended October 26, 2016 and $0.4 million for the year ended December 31, 2015.

Long-lived assets

Truckload performs an impairment analysis of long-lived assets whenever circumstances indicate that the carrying amount may not be recoverable. For assets that are to be held and used, an impairment charge is recognized when the estimated undiscounted cash flows associated with the asset or group of assets is less than carrying value. If impairment exists, a charge is recognized for the difference between the carrying value and the fair value. Fair values are determined using quoted market values, discounted cash flows or external appraisals, as applicable. Assets held for disposal are carried at the lower of carrying value or estimated net realizable value. Truckload’s accounting policies for goodwill and other long-lived intangible assets are more fully discussed in Note 3, Goodwill and intangible Assets.

Book overdrafts

Book overdrafts represent outstanding drafts not yet presented to the bank that are in excess of recorded cash for that particular bank. These amounts do not represent bank overdrafts, which occur when drafts presented to the bank are in excess of cash held by Truckload, and would effectively be a loan to Truckload. As at October 26, 2016 and December 31, 2015, book overdrafts of $3.8 million and $3.0 million, respectively, were included in accounts payable.

Income taxes

Truckload has been included in the consolidated federal income tax return and consolidated/combined unitary state income tax returns of XPO. Furthermore, Truckload files various stand-alone state income/franchise tax returns. Income taxes reflected in the accompanying consolidated statements of income represent a proportionate share of XPO’s consolidated income tax provision or benefit and approximate the amounts that would have been recorded had Truckload filed separate tax returns. Federal and state income taxes payable and receivable in the US are settled in the current period through the advance account with XPO while income taxes payable to foreign jurisdictions are reported in the consolidated balance sheets. Current and long-term deferred taxes presented in the accompanying consolidated balance sheets represent Truckload’s proportionate share of XPO’s consolidated deferred income tax accounts and approximate those that would have been recorded had Truckload filed separate tax returns.

Income taxes (continued)

Truckload follows the asset and liability method of accounting for income taxes. Under the asset and liability method, the change in the net deferred income tax asset or liability is included in the computation of net income (loss) or other comprehensive income (loss). Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. Deferred income taxes reflect the net tax effects of (a) temporary differences between the carrying amounts of assets and liabilities for financial statement reporting purposes and the bases for income tax purposes, and (b) operating losses and tax credit carry forwards. Deferred income tax assets are evaluated and, if realization is not considered to be more-likely-than-not, a valuation allowance is provided.

Self-insurance accruals

XPO uses a combination of self-insurance programs and purchased insurance to provide for the costs of medical, casualty, liability, vehicular, cargo and workers' compensation claims. The long-term portion of self-insurance accruals relates primarily to workers' compensation and vehicular claims that are expected to be payable over several years. XPO periodically evaluates the level of insurance coverage and adjusts insurance levels based on risk tolerance and premium expense.

The measurement and classification of self-insured costs requires the consideration of historical cost experience, demographic and severity factors, and judgments about the current and expected levels of cost per claim and retention levels. These methods provide estimates of the undiscounted liability associated with claims incurred as of the balance sheet date, including estimates of claims incurred but not reported. Changes in these assumptions and factors can materially affect actual costs paid to settle the claims and those amounts may be different than estimates.

Continuity of the self-insurance accruals is as follows:

(In thousands of dollars)	Vehicular	Worker's compensation	Medical	**Total**
Balance, December 31, 2014 (unaudited)	**$ 17,778**	**$ 12,155**	**$ 2,132**	**$ 32,065**
Expense for the year	20,021	5,995	12,126	38,142
Payments	(23,803)	(7,262)	(10,707)	(41,772)
Net movements in receivable	(4,132)	168	(540)	(4,504)
Balance, December 31, 2015 (Unaudited)	**9,864**	**11,056**	**3,011**	**23,931**
Expense for the year	15,430	5,470	9,439	30,339
Payments	(17,362)	(4,766)	(11,216)	(33,344)
Net movements in receivable	1,740	41	-	1,781
Balance, October 26, 2016	**$ 9,672**	**$ 11,801**	**$ 1,234**	**$ 22,707**

The current portion of the self-insurance receivable at October 26, 2016 and December 31, 2015 was $1.1 million and $0.5 million, respectively, and is recorded in other accounts receivable. The non-current portion of the self-insurance receivable at October 26, 2016 and December 31, 2015 was $1.5 million and $0.4 million, respectively, and is recorded in deferred charges and other assets.

The expense is recorded in salaries, wages and employees benefits for worker's compensation and medical, and in other operating expenses for vehicular.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange in effect at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing at the respective transaction dates. Revenue and expenses denominated in foreign currencies are translated at average rates prevailing during the year. Transaction gains and losses that arise from exchange-rate fluctuations on transactions denominated in a currency other than the functional currency are included in the statements of consolidated income within miscellaneous, net.

Truckloads Mexican operations' functional currency is the Peso while the functional currency of Truckload is U.S. dollar. The assets and liabilities denominated in Peso are translated at exchange rates in effect at the balance sheet dates. Revenue and expense items are translated at average exchange rates prevailing during the periods. Adjustments resulting from translating foreign functional currency financial statements into U.S. dollars are included in the foreign currency translation adjustment in the statements of consolidated comprehensive income.

New accounting standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014- 09, *Revenue from Contracts with Customers*. This ASU, codified in the Revenue Recognition topic of the FASB Accounting Standards Codification requires revenue to be recognized upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard also requires disclosures sufficient to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from these customer contracts. For public business entities, this standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017, with early adoption permitted for the first interim period within annual reporting periods beginning after December 15, 2016. For non-public business entities, this standard is effective for annual reporting periods beginning after December 15, 2018 and interim reporting periods within annual reporting periods beginning after December 15, 2019, with early adoption permitted for the first interim period within annual reporting periods beginning after December 15, 2016. This ASU can be applied either retrospectively to each prior reporting period presented or with the cumulative effect of initially applying the standard recognized on the date of adoption. Truckload is currently evaluating the method of application and the potential impact on the consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02 *Leases* (ASC Topic 842) to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. This guidance will affect any entity that enters into a lease. This ASU is effective for fiscal years, and interim periods within those years, beginning on or after December 15, 2018, and early adoption is permitted. Truckload is currently evaluating the method of application and the potential impact on the financial statements and related disclosures.

2. Related party transactions

Centralized cash management

Truckload is engaged in certain transactions with XPO or Con-way that are common to the XPO or Con-way subsidiaries in the normal course of business. Throughout the period covered by these consolidated financial statements, Truckload participated in XPO's or Con-way's centralized cash management system and, consequently, its operating and capital expenditure needs, if any, were met by XPO or Con-way, and is reflected in the parent investment as transfers to parent, net.

Shared services

XPO or Con-way incurred costs for providing information technology, data processing, accounting, finance, legal and other shared administrative services to its subsidiaries. A portion of these costs were allocated to Truckload generally based on measurable services provided. The resulting charge to Truckload, which is included in other operating costs in the consolidated statements of income, was $6.0 million for the period ended October 26, 2016 and $11.0 million for the year ended December 31, 2015. Management believes these allocations have been made on a consistent basis and are reasonable. However, these allocated expenses may not be indicative of the actual expenses that would have been incurred had Truckload been operating as a separate and independent business.

Affiliated transactions

As a subsidiary of XPO or Con-way, Truckload performed business transactions with other wholly-owned subsidiaries of XPO or Con-way. Transactions between XPO or Con-way subsidiaries were generally based on negotiated prices. Truckload recognized revenue of $34.5 million for the period ended October 26, 2016 and $42.5 million for the year ended December 31, 2015 for services provided to other XPO or Con-way subsidiaries. For these affiliated transactions, Truckload has trade accounts receivable of $3.0 million at October 26, 2016 and $2.8 million at December 31, 2015. These are related party transactions and may not be at fair value.

Truckload purchased trailers from XPO's or Con-way's trailer manufacturing company for $8.9 million in 2016 and $32.1 million in 2015. Transfers of property, plant and equipment, typically revenue equipment, between subsidiaries of XPO or Con-way are recorded at net book value. These are related party transactions and may not be at fair value.

3. Goodwill and intangible assets

Goodwill

The following table shows the components of the carrying amount of goodwill:

(In thousands of dollars)

Balance at December 31, 2014 (unaudited)	
Goodwill	$ 464,598
Accumulated impairment losses	(134,813)
	329,785
Balance at December 31, 2015 (unaudited)	
Goodwill	464,598
Accumulated impairment losses	(197,513)
	267,085
Balance at October 26, 2016	
Goodwill	464,598
Accumulated impairment losses	(197,513)
	$ 267,085

In accordance with Accounting Standards Codification 350 *Intangibles - Goodwill and Other* ("ASC 350"), goodwill is assessed for impairment on an annual basis in the fourth quarter, or more frequently if events or changes in circumstances indicate that the asset might be impaired. For the valuation of Truckload, three methods were utilized: public company multiples, discounted cash flows, and precedent transactions. These methods involve complex measurements involving estimating future cash flows and discounting them to present value, as well as applying market multiples to current and projected profitability. Key assumptions used in the discounted cash flow model involve future events and are highly judgmental in nature. As a result of deteriorating truckload market conditions, a goodwill impairment test was performed as of September 30, 2015 and an impairment charge of $62.7 million was recorded in 2015.

4. Intangible assets

Intangible assets are amortized on a straight-line basis over their estimated useful lives. Amortization expense was $1.9 million for the period ended October 26, 2016 and $2.4 million for the year ended December 31, 2015. Intangible assets consisted of the following:

	October 26, 2016		December 31, 2015 (Unaudited)	
(In thousands of dollars)	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization
Customer relationships	$ 23,088	$ 21,093	$ 23,088	$ 19,161

Estimated future amortization expense is presented in the following table:

(In thousands of dollars)	
Oct. 27, 2016 – Dec. 31, 2016	$424
December 31, 2017	$1,571

5. Fair-value measurements

Assets and liabilities reported at fair value are classified in one of the following three levels within the fair-value hierarchy:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Financial assets measured at fair value on a recurring basis

The following table summarizes the valuation of financial instruments within the fair-value hierarchy:

	Period ended October 26, 2016			
(In thousands of dollars)	Total	Level 1	Level 2	Level 3
Cash equivalents	$ 10,364	$ -	$ 10,364	$ -

	Year ended December 31, 2015 (Unaudited)			
(In thousands of dollars)	Total	Level 1	Level 2	Level 3
Cash equivalents	$ 11,147	$ -	$ 11,147	$ -

Financial assets measured at fair value on a recurring basis (continued)

Cash equivalents consist of short-term interest-bearing commercial paper with maturities of three months or less at the date of purchase.

Commercial paper is generally valued using published interest rates for instruments with similar terms and maturities and, accordingly, are classified as Level 2 instruments. As at October 26, 2016, the weighted average remaining maturity of the cash equivalents was less than one month. Based on their short maturities, the carrying amount of the cash equivalents approximates their fair value.

6. Accrued liabilities

Accrued liabilities consisted of the following:

(In thousands of dollars)	Period ended October 26, 2016	Year ended December 31, 2015 (Unaudited)
Salaries and wages	$ 1,664	$ 1,040
Compensated absences	3,555	3,859
Taxes other than income taxes	1,565	2,870
Variable compensation	4,020	6,035
Other	1,076	249
Total accrued liabilities	$ 11,880	$ 14,053

7. Income taxes

Income tax provision

The components of the provision for income taxes were as follows:

(In thousands of dollars)	Period ended October 26, 2016	Year ended December 31, 2015 (Unaudited)
Current provision		
Federal	$ 4,939	$ 11,961
State and local	762	837
Foreign	835	1,590
Total current provision	6,536	14,388
Deferred provision (benefit)		
Federal	1,946	(1,277)
State and local	185	(118)
Foreign	236	(164)
Prior year adjustment	-	1,723
Deferred (benefit) provision	2,367	164
Income tax provision	$ 8,903	$ 14,552

Income tax provision (continued)

Income taxes have been provided for foreign operations based upon the various tax laws and rates of the countries in which operations are conducted. The components of income before income taxes were as follows:

	Period ended October 26, 2016	Year ended December 31, 2015 (Unaudited)
(In thousands of dollars)		
US sources	$ 20,246	$ (33,111)
Non-US sources	3,291	4,541
Income (loss) before income tax provision	$ 23,537	$ (28,570)

Truckloads income tax provision varied from the amounts calculated by applying the US statutory income tax rate to the pre-tax income as shown in the following reconciliation:

	Period ended October 26, 2016	Year ended December 31, 2015 (Unaudited)
Federal statutory tax rate of 35%	35.0%	35.0%
State income tax, net of federal income tax benefit	3.3	3.3
Non-deductible operating expenses, tax-exempt income and foreign tax impact	(1.2)	(0.2)
Foreign taxes less than US statutory rate	(1.2)	1.3
Prior year adjustment	1.9	(6.2)
Non-deductible impairment of goodwill	-	(84.1)
Effective income tax rate	37.8%	(50.9%)

Current and deferred income tax balances

The components of deferred tax assets and liabilities related to the following:

	Period ended October 26, 2016	Year ended December 31, 2015 (Unaudited)
(In thousands of dollars)		
Deferred tax assets		
Employee benefits	$ 2,275	$ 3,085
Self-insurance accruals	6,688	7,666
Other	120	1,695
Total deferred tax assets	9,083	12,446
Deferred tax liabilities		
Property, plant and equipment	(119,526)	(121,830)
Prepaid expenses	(2,582)	(2,496)
Other	(1,705)	(452)
Total deferred tax liabilities	(123,813)	(124,778)
Net deferred tax liability	$ (114,730)	$ (112,332)

Deferred tax assets and liabilities in the consolidated balance sheets are classified as current or non-current based on the related asset or liability creating the deferred tax. Deferred taxes not related to a specific asset or liability are classified based on the estimated period of reversal.

For the deferred tax assets, management believes it is more likely than not that results of future operations will generate taxable income of a sufficient amount and type to realize these deferred tax assets.

No deferred taxes have been provided for the cumulative undistributed earnings of Truckload's foreign subsidiaries ($14.1 million at October 26, 2016), which if remitted, are subject to withholding and U.S. taxes. Such amounts have been indefinitely reinvested in the respective foreign subsidiaries' operations Determination of the amount of any unrecognized deferred income tax liability on this temporary difference is not practicable.

Uncertain tax positions

Truckload recognizes tax positions in the consolidated financial statements only when it is more likely than not that the position will be sustained upon examination by a taxing authority. If the position meets the more-likely-than-not criteria, it is measured using a probability-weighted approach as the largest amount of tax benefit that is greater than 50% likely of being realized upon settlement. Previously recognized tax positions that no longer meet the more-likely-than-not recognition threshold are derecognized in the first subsequent financial reporting period in which the threshold is no longer met.

8. Employee benefit plans

In the periods presented, certain employees of Truckload were covered under defined benefit pension plans and defined contribution retirement plans. Truckload was allocated a portion of benefit plan expenses based on allocation methods that XPO or Con-way believes are reasonable. The allocations related to these employee benefit plans are performed for financial reporting and disclosure purposes, and may not be indicative of the actual expenses that would be applicable if Truckload were to maintain legally separate plans.

Defined benefit pension plans

Defined benefit pension plans include qualified plans that are eligible for certain beneficial treatment under the *Internal Revenue Code* ("IRC"), as well as non-qualified plans that do not meet IRC criteria. As a result of plan amendments in previous years, no additional benefits accrue under these plans and already-accrued benefits will not be adjusted for future increases in compensation. Participation in these plans is limited to those employees participating as of December 31, 2006, which preceded the acquisition of Truckload by Con-way and XPO. Accordingly, the only Truckload employees participating in these plans transferred to Truckload from other affiliated entities. The portion of the plans' funded status relating to Truckload employees has not been allocated to Truckload. At October 26, 2016 and December 31, 2015, the projected benefit obligation of these plans that related to Truckload was $1.7 million and $1.8 million, respectively. No expense has been recorded in Truckload relating to this plan.

Defined contribution retirement plans

Truckload non-contractual employees in the United States are eligible to participate in defined contribution retirement plans. Truckload's expense for these plans was $0.8 million for the period ended October 26, 2016 and $1.1 million for the year ended December 31, 2015. As at October 26, 2016, Truckload had accrued liabilities of $0.1 million and $0.3 million as of December 31, 2015 for contributions related to the defined contribution retirement plans.

Truckload employee benefit plan

The liabilities reported as employee benefits in the consolidated balance sheets relate to plans maintained by Truckload.

Other compensation plans

Certain Truckload employees participate in shared-based compensation plans. Under terms of its share-based compensation plans, XPO or Con-way granted various types of share-based compensation awards to employees in the form of non-vested stock (also known as restricted stock), performance-share plan units, stock options and stock appreciation rights. Expense recognized for Truckload participants was $1.0 million in 2016 and $1.3 million in 2015.

9. Legal matters

Truckload is a defendant in various lawsuits incidental to its business. It is the opinion of management that the ultimate outcome of these actions will not have a material impact on Truckload's financial condition, cash flows or results of operations.

10. Subsequent events

Management has performed an evaluation of subsequent events through January 27, 2017, which is the date these financial statements were available to be issued.

SCHEDULE B

See attached document

UNAUDITED PROFORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED SEPTEMBER 30, 2016 AND DECEMBER 31, 2015

TFI International Inc. PROFORMA CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2016 - UNAUDITED

(in thousands of Canadian dollars)

	Note 4	TFI Sept. 30, 2016	TRI Oct. 26, 2016 (Note 3)	Proforma adjustments	Proforma consolidated
Assets					
Cash and cash equivalents	e)	-	14,020	(6,873)	**7,147**
Trade and other receivables		482,446	83,019	-	**565,465**
Inventoried supplies		6,049	2,078	-	**8,127**
Prepaid expenses		29,493	10,027	-	**39,520**
Assets held for sale		4,097	-	-	**4,097**
Current assets		522,085	109,144	(6,873)	**624,356**
Property and equipment	c)	943,272	481,192	(20,412)	**1,404,052**
Intangible assets	b)	1,505,355	361,010	84,783	**1,951,148**
Other assets		31,985	-	-	**31,985**
Deferred tax assets		8,987	3,689	-	**12,676**
Non-current assets		2,489,599	845,891	64,371	**3,399,861**
Total assets		3,011,684	955,035	57,498	**4,024,217**
Liabilities					
Bank indebtedness	e)	6,873	-	(6,873)	**-**
Trade and other payables		411,112	58,478	-	**469,590**
Current taxes payable		49,391	-	-	**49,391**
Derivative financial instruments		5,179	-	-	**5,179**
Long-term debt		44,721	-	-	**44,721**
Current liabilities		517,276	58,478	(6,873)	**568,881**
Long-term debt	f)	809,142	-	747,168	**1,556,387**
	d)			77	
Employee benefits		13,738	355	-	**14,093**
Provisions		11,344	15,041	-	**26,385**
Derivative financial instruments		14,718	-	-	**14,718**
Deferred tax liabilities		221,734	158,130	40,234	**420,098**
Other financial liability		2,916	-	-	**2,916**
Non-current liabilities		1,073,592	173,526	787,479	**2,034,597**
Total liabilities		1,590,868	232,004	780,606	**2,603,478**
Equity					
Share capital	a)	716,022	728,456	(728,456)	**716,022**
Contributed surplus		21,730	-	-	**21,730**
Accumulated other comprehensive income (loss)	a)	37,566	(5,425)	5,425	**37,566**
Retained earnings		645,498	-	-	**645,421**
	d)		-	(77)	
Equity attributable to owners of the Company		1,420,816	723,031	(723,108)	**1,420,739**
Total liabilities and equity		3,011,684	955,035	57,498	**4,024,217**

The notes on pages 5 to 10 are an integral part of these proforma condensed consolidated financial statements.

(In thousands of Canadian dollars, except per share amounts)	Note 4	TFI Sept. 30, 2016 9 months	TRI Sept. 30, 2016 9 months (Note 3)	Proforma adjustments	Proforma consolidated Sept. 30, 2016 9 months
Revenue		2,668,042	464,793	-	**3,132,835**
Fuel surcharge		219,432	49,572	-	**269,004**
		2,887,474	514,365	-	**3,401,839**
Materials and services expenses		1,690,729	216,537	-	**1,907,266**
Personnel expenses		709,248	182,506	-	**891,754**
Other operating expenses	d)	180,511	25,666	(419)	**205,758**
		2,580,488	424,709	(419)	**3,004,778**
Income before the following:		306,986	89,656	419	**397,061**
Depreciation of property and equipment	c)	96,446	60,183	(7,263)	**149,366**
Amortization of intangible assets	b)	38,414	2,769	10,396	**51,579**
Gain on sale of property and equipment		(13,988)	(588)	-	**(14,576)**
Operating income		186,114	27,292	(2,714)	**210,692**
Finance income		(4,051)	(1,040)	-	**(5,091)**
Finance costs	f)	47,667	1	17,193	**64,861**
Net finance costs		43,616	(1,039)	17,193	**59,770**
Income before income tax		142,498	28,331	(19,907)	**150,922**
Income tax expense	g)	31,826	10,717	(4,958)	**37,585**
Net income from continuing operations		110,672	17,614	(14,949)	**113,337**
Net income from discontinued operations, net of tax		483,568	-	-	**483,568**
Net income for the year attributable to owners of the Company		594,240	17,614	(14,949)	**596,905**
Historical and proforma earnings per share from continuing operations					
Historical and proforma basic earnings per share		1.17			**1.20**
Historical and proforma diluted earnings per share		1.15			**1.18**

The notes on pages 5 to 10 are an integral part of these proforma condensed consolidated financial statements.

TFI International Inc.

PROFORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME
For the year ended December 31, 2015 - UNAUDITED

(In thousands of Canadian dollars, except per share amounts)	Note 4	TFI Dec. 31, 2015 12 months	TRI Dec. 31, 2015 12 months (Note 3)	Proforma adjustments	Proforma consolidated Dec. 31, 2015 12 months
Revenue		3,630,863	623,585	-	**4,254,448**
Fuel surcharge		399,026	96,725	-	**495,751**
		4,029,889	720,310	-	**4,750,199**
Materials and services expenses		2,385,971	299,296	-	**2,685,267**
Personnel expenses		978,458	254,923		**1,233,381**
Other operating expenses		240,234	42,033		**282,267**
		3,604,663	596,252	-	**4,200,915**
Income before the following:		425,226	124,058	-	**549,284**
Depreciation of property and equipment	c)	129,096	84,192	(9,684)	**203,604**
Amortization of intangible assets	b)	47,130	3,475	13,399	**64,004**
Impairment of intangible assets		-	80,162	-	**80,162**
Gain on sale of property and equipment		(23,565)	(6,203)	-	**(29,768)**
Gain on sale of assets held for sale		(3,896)	(1,395)	-	**(5,291)**
Operating income		276,461	(36,173)	(3,715)	**236,573**
Finance income		(1,894)	(1,488)	-	**(3,382)**
Finance costs	f)	77,599	23	21,674	**99,296**
Net finance costs		75,705	(1,465)	21,674	**95,914**
Income before income tax		200,756	(34,708)	(25,389)	**140,659**
Income tax expense	g)	55,024	19,381	(11,142)	**63,263**
Net income from continuing operations		145,732	(54,089)	(14,247)	**77,396**
Net income from discontinued operations, net of tax		17,705			**17,705**
Net income for the year attributable to owners of the Company		163,437	(54,089)	(14,247)	**95,101**
Historical and proforma earnings per share from continuing operations					
Historical and proforma basic earnings per share		1.45			**0.77**
Historical and proforma diluted earnings per share		1.43			**0.76**

The notes on pages 5 to 10 are an integral part of these proforma condensed consolidated financial statements.

1. Basis of preparation

The unaudited proforma condensed consolidated financial statements have been prepared by management in connection with the filing of TFI International Inc.'s ("TFI") (the "Company") (formerly TransForce Inc.) Business Acquisition Report regarding the acquisition completed in the last quarter of 2016 of the North American truckload operation of XPO Logistics, Inc. ("XPO"), Transportation Resources, Inc. ("TRI") (the "Acquisition").

The proforma condensed consolidated financial statements have been prepared for illustrative purposes only and give effect to the Acquisition as further described in Note 3 and pursuant to the assumptions and adjustments described in Note 4. The unaudited proforma condensed consolidated statement of financial position as at September 30, 2016 gives effect to the Acquisition as if it had occurred as at September 30, 2016. The unaudited proforma condensed consolidated statements of income for the period ended September 30, 2016 and the year ended December 31, 2015 give effect to the Acquisition as if it had occurred on January 1, 2015.

The unaudited proforma condensed consolidated financial statements are not necessarily indicative of the financial position and results of operations that would have been achieved if the proposed Acquisition had been completed on those dates or for the periods presented, nor do they claim to project the results of operations or financial position of the consolidated entities for any future period or as of any future date. Any potential synergies that may be realized and integration costs that may be incurred upon completion of the proposed Acquisition, if successful, have been excluded from the unaudited proforma condensed consolidated financial statements.

In preparing the unaudited proforma consolidated statement of financial position and the unaudited proforma consolidated statements of income, historical information of TFI that was prepared in accordance with International Financial Reporting Standards ("IFRS") and historical information of TRI that was prepared in accordance with US Generally Accepted Accounting Principles ("US GAAP") and reconciled to IFRS (see note 3), was used as follows:

a) For the unaudited proforma consolidated statement of financial position:

(i) the unaudited consolidated statement of financial position of TFI as at September 30, 2016; and

(ii) the consolidated statement of financial position of TRI as at October 26, 2016 from the audited consolidated financial statements of TRI as at October 26, 2016.

b) For the unaudited proforma consolidated statement of income for the nine months ended September 30, 2016:

(i) the unaudited consolidated statement of income of TFI for the nine months ended September 30, 2016; and

(ii) the consolidated statement of income of TRI for the period of January 1, 2016 to October 26, 2016 from the audited consolidated financial statements of TRI as at October 26, 2016 and the January 1, 2016 to October 26, 2016 period, which was adjusted to approximate the nine-month period ended September 30, 2016.

c) For the unaudited proforma consolidated statement of income for the year ended December 31, 2015:

(i) the consolidated statement of income of TFI for the year ended December 31, 2015 from the audited consolidated financial statements of TFI as at and for the year ended December 31, 2015; and

(ii) the unaudited consolidated statement of income of TRI for the year ended December 31, 2015.

In the opinion of TFI's management, these unaudited proforma condensed consolidated financial statements include all adjustments necessary for a fair presentation of the transaction described in the notes to these financial statements applied on a basis consistent with TFI's accounting policies.

2. Significant accounting policies

The accounting policies used in preparing the unaudited proforma condensed consolidated financial statements are set out in TFI's audited consolidated financial statements for the year ended December 31, 2015. In preparing the unaudited proforma condensed consolidated financial statements, management conducted a preliminary review of TRI's US GAAP accounting policies and performed a reconciliation to TFI's IFRS policies. However, this is prepared based on information known to date and may change as the Company completes its process. The explanation and impact of each adjustment for the statement of financial position and statements of consolidated income for each period presented are described in note 3.

3. Acquisition

On October 27, 2016, the Company acquired TRI, the North American truckload operation of XPO, for a total consideration of US$558 million which was paid in cash.

The transaction will be accounted for as a business combination by TFI.

As a requirement of the acquisition, TRI's financial statements must be included in a Business Acquisition Report ("BAR") and proforma financial statements must be provided. The proforma rules require a reconciliation of US Generally Accepted Accounting Principles (US GAAP) to International Financial Reporting Standards (IFRS) for the statement of consolidated income and the consolidated statement of financial position. The statement of consolidated financial position is as at October 26, 2016 and the statements of consolidated income for the periods presented in this reconciliation are the nine-month period ended September 30, 2016 and the year ended December 31, 2015.

The following table outlines the changes to consolidated statement of financial position accounts as a result of the reconciliation from US GAAP to IFRS and adjustments to conform to TFI's accounting policies and presentation.

	Footnote	Historical US GAAP Oct. 26, 2016 (In thousands of US dollars)	IFRS reconciliation and presentation adjustments (In thousands of US dollars)	Foreign currency conversion [9]	IFRS Oct. 26, 2016 (In thousands of Canadian dollars)
Assets					
Cash and cash equivalents	5	14,277	(3,803)	3,546	**14,020**
Trade and other receivables	1, 4	-	62,019	21,000	**83,019**
Inventoried supplies		-	1,552	526	**2,078**
Prepaid expenses		7,491	-	2,536	**10,027**
TRI - Trade accounts receivable, net	8	57,663	(57,663)	-	**-**
TRI - Other accounts receivable	8	3,401	(3,401)	-	**-**
TRI - Operating supplies	8	1,552	(1,552)	-	**-**
TRI - Deferred income taxes	2	2,756	(2,756)	-	**-**
Current assets		87,140	(5,604)	27,608	**109,144**
Property and equipment		359,474	-	121,718	**481,192**
Intangible assets	3	-	269,692	91,318	**361,010**
Deferred tax assets	2	-	2,756	933	**3,689**
TRI - Deferred charges and other assets	4	1,479	(1,479)	-	**-**
TRI - Capitalized software, net	3	612	(612)	-	**-**
TRI - Intangible assets, net	3	1,995	(1,995)	-	**-**
TRI - Goodwill	3	267,085	(267,085)	-	**-**
Non-current assets		630,645	1,277	213,969	**845,891**
Total assets		717,785	(4,327)	241,577	**955,035**
Liabilities					
Trade and other payables	1, 4, 5, 7	-	43,686	14,792	**58,478**
TRI - Accounts payable	8	26,230	(26,230)	-	**-**
TRI - Accrued liabilities	8	11,880	(11,880)	-	**-**
TRI - Self-insurance accruals	4	9,992	(9,992)	-	**-**
Current liabilities		48,102	(4,416)	14,792	**58,478**
Employee benefits		265	-	90	**355**
Provisions	4	-	11,236	3,805	**15,041**
Deferred tax liabilities	1	117,486	645	39,999	**158,130**
TRI - Self-insurance accruals	4	12,715	(12,715)	-	**-**
TRI - Other liabilities and deferred credits	7	116	(116)	-	**-**
Non-current liabilities		130,582	(950)	43,894	**173,526**
Total liabilities		178,684	(5,366)	58,686	**232,004**
Equity					
Share capital	1, 6	-	544,193	184,263	**728,456**
TRI - Parent investment	6	543,154	(543,154)	-	**-**
Accumulated other comprehensive income		(4,053)	-	(1,372)	**(5,425)**
Equity attributable to owners of the Company		539,101	1,039	182,891	**723,031**
Total liabilities and equity		717,785	(4,327)	241,577	**955,035**

[1]: Adjustment for revenue recognition to conform to TFI policies resulting in an increase of trade and other receivables, trade and other payables and deferred tax liabilities, as described in footnote 2 on page 9.

[2]: US GAAP to IFRS reclassification adjustment from current to non-current. Deferred tax assets and liabilities are presented as non-current under IFRS.

[3]: Reclassification adjustment of TRI historical information to conform to presentation adopted by TFI. Capitalized software, intangible assets, net and goodwill were reclassified to intangible assets.

[4]: US GAAP to IFRS reclassification adjustment to offset claims receivables against claim provisions liabilities. Net current claim provisions are presented in trade and other payables and net non-current claim provisions liabilities are presented in provisions.

[5]: Reclassification adjustment for outstanding cheques from cash and cash equivalents to trade and other payables to conform to TFI presentation.

[6]: Reclassification adjustment of TRI historical information to presentation adopted by TFI. Parent investment is reclassified to share capital.

[7]: Reclassification adjustment of TRI historical information to presentation adopted by TFI. Deferred credits are reclassified to trade and other payables.

[8]: Reclassification adjustments of TRI historical information to conform to presentation adopted by TFI.

[9]: As at October 26, 2016, the TRI consolidated statement of financial position was translated to Canadian dollars at CA $1.3386 to US $1.00, the closing rate for that date.

The following tables outline reconciling items to the consolidated statements of income as a result of the reconciliation from US GAAP to IFRS, conformance of accounting policies, presentation adjustments, foreign exchange adjustments and aligning the January 1, 2016 to October 26, 2016 period to be equal to approximately nine months.

	(In thousands of US dollars)				*(In thousands of Canadian dollars)*
	Historical US GAAP Oct. 26, 2016 approximately 10 months	Presentation adjustments [1]	IFRS reconciliation adjustments [2]	Foreign currency conversion and timing adjustments [3]	IFRS Sept. 30, 2016 9 months (approximately)
Revenue	431,882	(41,596)	155	74,352	**464,793**
Fuel surcharge	-	41,596	46	7,930	**49,572**
	431,882	-	201	82,282	**514,365**
Materials and services expenses	-	181,874	24	34,639	**216,537**
Personnel expenses	-	153,396	(85)	29,195	**182,506**
Other operating expenses	49,585	(28,025)	-	4,106	**25,666**
TRI - Salaries, wages and employee benefits	153,396	(153,396)	-	-	**-**
TRI - Fuel and fuel related benefits	60,466	(60,466)	-	-	**-**
TRI - Purchased transportation	61,585	(61,585)	-	-	**-**
TRI - Maintenance	29,104	(29,104)	-	-	**-**
TRI - Rents and leases	1,283	(1,283)	-	-	**-**
TRI - Purchased labor	917	(917)	-	-	**-**
	356,336	494	(61)	67,940	**424,709**
Income before the following:	75,546	(494)	262	14,342	**89,656**
Depreciation of property and equipment	-	50,556	-	9,627	**60,183**
Amortization of intangible assets	-	2,326	-	443	**2,769**
TRI - Depreciation and amortization	52,882	(52,882)	-	-	**-**
Gain on sale of property and equipment	-	(494)	-	(94)	**(588)**
			-		
Operating Income	22,664	-	262	4,366	**27,292**
Finance income	-	(874)	-	(166)	**(1,040)**
Finance costs	-	1	-	-	**1**
TRI - Investment income	(318)	318	-	-	**-**
TRI - Interest expense	1	(1)	-	-	**-**
TRI - Miscellaneous, net	(556)	556	-	-	**-**
Net finance costs	(873)	-	-	(166)	**(1,039)**
Income before income tax	23,537	-	262	4,532	**28,331**
Income tax expense	8,903	-	100	1,714	**10,717**
Net income from continuing operations	14,634	**-**	162	2,818	**17,614**
Net income for the period attributable to owners of the Company	14,634	-	162	2,818	**17,614**

[1]: Reclassification adjustments of TRI historical information to conform to presentation adopted by TFI.

[2]: TRI recognizes revenue under the completed shipment method. TFI recognizes all income relating to normal business operations based on the stage of completion of the service which is determined using the proportion of costs incurred to date compared to the estimated total costs of the service. Revenue is recognized as services are rendered, when the amount of revenue and income can be reliably measured and in all probability the economic benefits from the transactions will flow to the Company. This resulted in an adjustment for revenue and related direct costs.

[3]: For the period ended September 30, 2016, the TRI's consolidated statement of income was translated to Canadian dollars at the average rate for the period to date of CA $1.3227 to US $1.00. The proforma adjustment to conform TRI's period to that of TFI was done on a prorata basis of 9 months out of 10 months of TRI given low fluctuation of activities during the period.

	(In thousands of US dollars)				(In thousands of Canadian dollars)
	Historical US GAAP Dec.31, 2015 12 months	Presentation adjustments [1]	IFRS reconciliation adjustments [2]	Foreign exchange conversion adjustments [3]	IFRS Dec. 31, 2015 12 months
Revenue	561,536	(75,452)	1,663	135,838	**623,585**
Fuel surcharge	-	75,452	203	21,070	**96,725**
	561,536	-	1,866	156,908	**720,310**
Materials and services expenses	-	234,054	45	65,197	**299,296**
Personnel expenses	-	198,994	398	55,531	**254,923**
Other operating expenses	64,268	(31,391)	-	9,156	**42,033**
TRI - Salaries, wages and employee benefits	198,994	(198,994)	-	-	**-**
TRI - Fuel and fuel related benefits	91,603	(91,603)	-	-	**-**
TRI - Purchased transportation	66,804	(66,804)	-	-	**-**
TRI - Maintenance	35,913	(35,913)	-	-	**-**
TRI - Rents and leases	1,480	(1,480)	-	-	**-**
TRI - Purchased labor	920	(920)	-	-	**-**
	459,982	5,943	443	129,884	**596,252**
Income before the following:	101,554	(5,943)	1,423	27,024	**124,058**
Depreciation of property and equipment	-	65,852	-	18,340	**84,192**
Amortization of intangible assets	-	2,718	-	757	**3,475**
Impairment of intangible assets	62,700	-	-	17,462	**80,162**
TRI - Depreciation and amortization	68,570	(68,570)	-	-	**-**
Gain on sale of property and equipment	-	(4,852)	-	(1,351)	**(6,203)**
Gain on sale of assets held for sale	-	(1,091)	-	(304)	**(1,395)**
Operating Income	(29,716)	-	1,423	(7,880)	**(36,173)**
Finance income	-	(1,164)	-	(324)	**(1,488)**
Finance costs	-	18	-	5	**23**
TRI - Investment income	(234)	234	-	-	**-**
TRI - Interest expense	18	(18)	-	-	**-**
TRI - Miscellaneous, net	(930)	930	-	-	**-**
Net finance costs	(1,146)	-	-	(319)	**(1,465)**
Income before income tax	(28,570)	-	1,423	(7,561)	**(34,708)**
Income tax expense	14,552	-	607	4,222	**19,381**
Net income from continuing operations	(43,122)	-	816	(11,783)	**(54,089)**
Net income for the year attributable to owners of the Company	(43,122)	-	816	(11,783)	**(54,089)**

[1]: Reclassification adjustments of TRI historical information to conform to presentation adopted by TFI.

[2]: TRI recognizes revenue under completed shipment method. TFI recognizes all income relating to normal business operations based on the stage of completion of the service which is determined using the proportion of costs incurred to date compared to the estimated total costs of the service. Revenue is recognized as services are rendered, when the amount of revenue and income can be reliably measured and in all probability the economic benefits from the transactions will flow to the Company. This resulted in adjustment for revenue and related direct costs.

[3]: For the year ended December 31, 2015, the TRI's consolidated statement of income was translated to Canadian dollars at the average annual rate of CA $1.2785 to US $1.00.

The assets and the liabilities acquired are to be recorded at their estimated fair values, which are based on preliminary management estimates and are subject to final valuation adjustments. The excess of purchase price on net identifiable assets acquired will be allocated to goodwill.

Purchase Price (US$558 million translated at a foreign exchange rate of 1.3386 on October 27, 2016)		**747,168**
Net assets acquired		
TRI net assets excluding goodwill and intangibles as at October 26, 2016		362,841
Adjustments to fair value of assets and liabilities acquired		
Property and equipment	(20,412)	
Intangibles assets	129,041	
Goodwill	315,932	
Deferred tax liabilities	(40,234)	384,327
Total net assets acquired		**747,168**

The fair value determination of the assets acquired and liabilities assumed is preliminary and is based on management's best estimates and information known at the time of preparing these proforma condensed consolidated financial statements. Since the Company is still in the process of finalising the purchase price based on customary closing adjustments and the valuation of intangible assets and other assets and liabilities assumed at the date of acquisition, the allocation of the purchase consideration is subject to change.

Transactions costs of $0.5 million have been incurred by the Company to complete the Acquisition of which $0.4 million have been expensed as at September 30, 2016.

The Acquisition and the transaction costs have been financed with the new CA$500 million acquisition term loan and available borrowing capacity under existing revolving facilities (US$184.6 million).

4. Proforma adjustments

The unaudited proforma condensed consolidated financial statements include the following adjustments:

a) To reflect the Acquisition as described in Note 3, the elimination of TRI historical parent investment and accumulated other comprehensive loss balances.

b) To reflect the estimated fair value of the acquired intangible assets as part of the purchase price allocation. The amortization of intangible assets have been adjusted in the proforma consolidated statements of income to reflect estimated additional amortization expenses amounting to $10.4 million (2015 – $13.4 million). TFI is in the process of evaluating the fair value of the acquired intangible assets, therefore the amortization expense is preliminary.

c) To reflect the estimated fair value of the acquired property and equipment as part of the purchase price allocation. The depreciation of property and equipment have been adjusted in the proforma consolidated statements of income to reflect estimated reduction in book value of property and equipment amounting to $7.3 million (2015 – $9.7 million).

d) To reflect TFI's professional fees related to acquisition costs of $0.5 million incurred of which $0.1 million have been expensed after September 30, 2016. Those costs are charged directly to retained earnings. Since only $0.4 million have been expensed as at September 30, 2016, the proforma adjustment is $0.4 million in other operating expenses.

e) To present bank indebtedness on a net basis against cash and cash equivalents.

f) To reflect the impact of financing the Acquisition. New debt is presented on the statement of financial position net of financing fees of $3.3 million which were paid at closing. Proforma consolidated statements of income were adjusted to reflect additional financing costs that include interest expense on the new debt as well as amortization of financing fees totalling $17.2 million (2015 – $21.7 million). Interest expense on the new debt was calculated using actual Libor rate of 0.52% (2015 – 0.21%) on the borrowings from the existing US credit facility and BA rate of 0.88% (2015 – 0.82%) on the new term loan for corresponding periods and using the assumption that the spread was 2.15%, equal to that at the date of Acquisition.

g) To adjust the income tax expense for the impacts of the various proforma items affecting the proforma consolidated statements of income as described above.

5. Proforma basic and diluted earnings per share from continuing operations

The proforma basic earnings per share from continuing operations and the weighted average number of common shares outstanding have been calculated as follows:

(in thousands of dollars and number of shares)	Nine months ended Sept. 30, 2016	Twelve months ended Dec. 31, 2015
Proforma net income from continuing operations	113,337	77,396
Weighted average number of common shares	94,470,083	100,206,062
Proforma earnings per share from continuing operations – basic	1.20	0.77

The proforma diluted earnings per share and the weighted average number of common shares outstanding after adjustment for the effects of all dilutive common shares have been calculated as follows:

(in thousands of dollars and number of shares)	Nine months ended Sept. 30, 2016	Twelve months ended Dec. 31, 2015
Proforma net income from continuing operations	113,337	77,396
Weighted average number of diluted common shares	96,119,321	101,993,889
Proforma earnings per share from continuing operations – diluted	1.18	0.76