



2015 Annual Report

TransForce Inc. is a North American leader in the transportation and logistics industry, operating across Canada and the United States through its subsidiaries.

TransForce creates value for shareholders by identifying strategic acquisitions and managing a growing network of wholly-owned operating subsidiaries.

Under the TransForce umbrella, companies benefit from financial and operational resources to build their businesses and increase their efficiency.

**TRANSFORCE COMPANIES SERVICE THE
FOLLOWING SEGMENTS:**



PACKAGE AND COURIER



LESS-THAN-TRUCKLOAD



TRUCKLOAD



LOGISTICS

The Toronto Stock Exchange

TSX: TFI

The OTCQX marketplace in the U.S.

OTCQX: TFIFF

For more information, visit:

www.transforcecompany.com

FINANCIAL HIGHLIGHTS

IFRS	2015	2014	2013	2012	2011
OPERATING RESULTS (in millions of \$)	\$	\$	\$	\$	\$
Total revenue from continuing operations	4,029.9	3,395.1	2,759.0	2,693.8	2,350.2
Revenue before fuel surcharge from continuing operations	3,630.9	2,942.9	2,432.7	2,366.0	2,077.3
Operating income from continuing operations ¹	276.5	227.6	177.0	177.7	134.6
Net income from continuing operations	145.7	116.2	77.5	101.7	62.8
Net income (loss) from discontinued operations	17.7	11.7	(15.1)	52.5	39.4
Net income	163.4	127.9	62.4	154.2	102.2
Net cash from continuing operations	358.8	228.5	152.2	211.7	175.0
Free cash flow from continuing operations ^{2,3}	291.5	243.4	151.7	179.1	183.2

FINANCIAL POSITION (in millions of \$)

Total assets	3,377.9	3,438.6	2,064.6	2,114.1	2,108.6
Long-term debt ⁴	1,615.1	1,617.7	773.6	808.1	863.2
Shareholders' equity	1,027.4	1,029.4	790.8	727.4	684.6

PER SHARE DATA (in \$)

Earnings from continuing operations – Basic	1.45	1.17	0.84	1.07	0.66
– Diluted	1.43	1.15	0.82	1.06	0.65
Earnings – Basic	1.63	1.29	0.67	1.63	1.07
– Diluted	1.60	1.26	0.66	1.55	1.06
Net cash from operating activities from continuing operations	3.58	2.30	1.64	2.23	1.83
Free cash flow from continuing operations ^{2,3}	2.91	2.45	1.64	1.89	1.92
Book value	10.52	10.06	8.47	7.84	7.16
Dividend	0.680	0.605	0.535	0.505	0.445

FINANCIAL RATIOS (from continuing operations)

Operating margin ² (as a % of revenue before fuel surcharge)	7.6%	7.7%	7.3%	7.5%	6.5%
Operating ratio ² (as a % of revenue before fuel surcharge)	92.4%	92.3%	92.7%	92.5%	93.5%
Return on equity	14.2%	12.8%	10.2%	14.4%	9.6%
Long-term debt to equity ⁴	1.57	1.57	0.98	1.11	1.26

(1) Earnings before finance income and costs, and income tax.

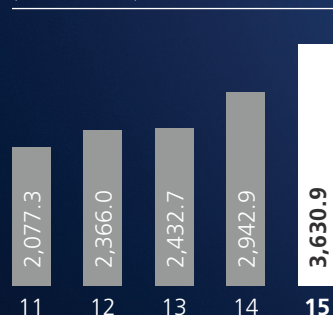
(2) This is a non-IFRS measure. For a reconciliation, please refer to the "Non-IFRS Financial Measures" section on page 26.

(3) Net cash from continuing operations, less net additions to property and equipment, plus proceeds from sale of property and equipment and assets held for sale.

(4) Including current portion.

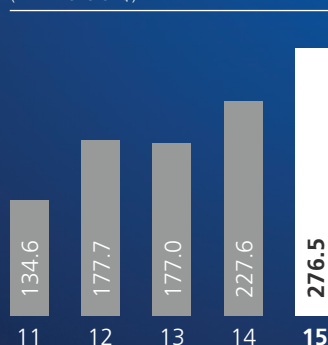
REVENUE BEFORE FUEL SURCHARGE FROM CONTINUING OPERATIONS

(in millions of \$)



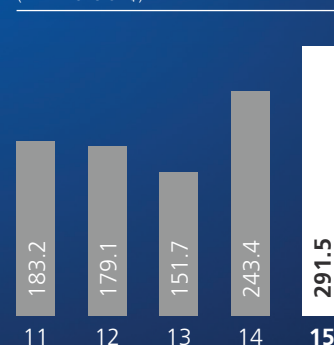
OPERATING INCOME FROM CONTINUING OPERATIONS ¹

(in millions of \$)



FREE CASH FLOW FROM CONTINUING OPERATIONS ^{2,3}

(in millions of \$)





Message from Alain Bédard

The sudden and rapid decline in the price of oil caught most by surprise in 2015, causing a significant decline in economic activity in Canada and a serious deterioration in the U.S. energy market. TransForce moved decisively to reduce its exposure in operations affected by the downturn. We accelerated cost-savings initiatives, adjusted supply to demand in several areas and by the third quarter, we had discontinued the Company's rig moving operations. Our decentralized and diversified business model enabled us to rapidly adapt to the evolving market conditions.

We also moved proactively to unlock shareholder value by initiating the sale of our Waste Management segment for \$800 million. This transaction, completed earlier this year, allowed TransForce to realize the full value of this business which, in our view, had never been fully recognized.

The monetization of Waste Management provides TransForce with important flexibility. To this end, we took advantage of a decrease in our share price to initiate a substantial issuer bid under which we can repurchase a maximum amount of \$220 million of shares at a price per share not less than \$19.00 and not more than \$22.00. This adds to the more than \$120 million of shares repurchased in 2015.

Our greater flexibility also allows TransForce to reimburse debt and to continue its growth through selective acquisitions. We invest in initiatives that generate superior returns and meet our main objective of generating cash flow and creating lasting value for our shareholders.

TransForce concluded 2015 with total revenue from continuing operations in excess of \$4.0 billion, up 19% over the previous year.

Adapting to Change

Fiscal 2015 was marked by the consolidation of our strengths in core transportation and logistics markets, solidifying our market presence and building value in segments where our density is a key competitive advantage.

Our teams diligently integrated the companies purchased in 2014. We were privileged to acquire well-managed companies whose talented employees joined an already strong pool of human resources. This fusion of expertise provides significant benefits to the entire organization by allowing the continuous sharing of best practices across subsidiaries, including improvement in asset utilization.

We dealt proactively with certain issues in our Package and Courier (P&C) and Less-Than-Truckload (LTL) businesses. In P&C, we improved the efficiency of our Canadian next-day services by consolidating certain facilities and activities. We are confident that our growing, strategic relationship with on-line retailers will result in higher margins with business that is easier to service.

LTL saw its over-the-road volumes reduced due to a continuous decrease in traditional “brick and mortar” sales at the expense of E-commerce. We will continue to downsize our conventional LTL business in order to deploy capital in higher return activities. Such activities include the intermodal sector, which benefits from a more “asset-light” model. TransForce has significantly expanded its

presence in this niche in recent years and we believe we can further grow our cash flow by making appropriate investments.

Truckload performed well, benefiting from a full year of the late-2014 Contrans transaction. While volumes were not completely as expected due to the weak economy, Contrans brought highly efficient management to the TransForce specialized Truckload team and has strengthened our density in this important segment. We are extremely well positioned to profit from the potential in this sector and will consider small acquisitions to bolster our presence.

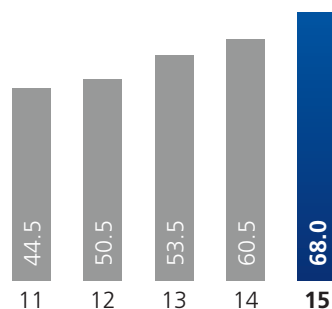
Financial Highlights

TransForce concluded 2015 with total revenue from continuing operations in excess of \$4.0 billion, up 19% over the previous year. Net of fuel surcharge, revenue rose 23% driven by the full-year contribution from the 2014 acquisitions and a more favourable currency year-over-year conversion rate applied to revenue from U.S.-based divisions. Excluding these elements, revenue declined slightly mainly due to reduced business activity in the LTL and specialized Truckload markets servicing the oil and gas industry.

Also reflecting the contribution from business acquisitions, operating income from continuing operations rose 21% to \$276.5 million. As a percentage of revenue before fuel surcharge, operating income from continuing operations held steady at 7.6%.

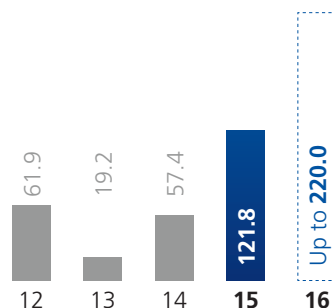
DIVIDEND PER SHARE

(in cents)

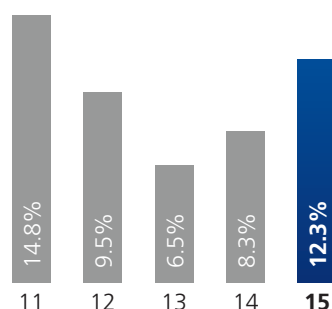


REPURCHASE OF COMMON SHARES

(in millions of \$)



FREE CASH FLOW YIELD FROM CONTINUING OPERATIONS



Net income from continuing operations increased 25%, reaching \$145.7 million, or \$1.43 per diluted share in 2015, up from \$116.2 million, or \$1.15 per diluted share in 2014.

TransForce generated free cash flow from continuing operations of \$291.5 million, or \$2.91 per share, representing a solid free cash flow yield of 12.3% based on the year-end share price. This robust stream reflects the cash generated by operating activities and our ability to dispose of excess assets. These funds were returned to shareholders through the repurchase of common shares (\$121.8 million) and dividend payments (\$68.6 million), as per our stated policy. We also reimbursed a net amount of \$139.1 million in long-term debt.

Pursuing Superior Returns to Maximize

Cash Flow Generation

As we look ahead, the U.S. economy remains solid, driven by higher consumer confidence and spending. This bodes well for P&C and Truckload. In Canada, low oil prices have continued to depress the economy while the effects of a weak currency have yet to provide a boost to the manufacturing sector. It will take considerable time to reverse this situation. We expect the benefits of cost reductions in our Canadian operations will help mitigate these negative effects.

In P&C, we will continue to focus on growing market niches, mainly in same-day, last-mile delivery. E-commerce is a priority as it is becoming a more efficient, less expensive way to serve customers. TransForce will offer this option in major centers, in line with our reputation for superior service. While there is overcapacity in the Canadian LTL market, TransForce will remain disciplined

Decentralization is the cornerstone of our philosophy. We inspire managers by empowering them with the responsibility and the authority to provide creative customer solutions at the local level in a cost conscious manner.

by streamlining its asset base and adapting supply to demand.

While the sale of our Waste Management operations gives us the financial capacity to do a substantial acquisition, we are first capitalizing on our low enterprise value by buying back shares in TransForce - the company we know best - and prioritizing debt reimbursement. TransForce is strongly committed to the fundamental principle of enhancing shareholder value and our daily actions will continue to reflect this commitment.

Any M&A activity will follow our highly-disciplined approach to acquire profitable and well-managed companies. Our preference is to acquire "asset-light" operations where we can rapidly eliminate redundancies and adapt supply to demand to produce satisfactory returns. "Asset-light" operations also require less capital to reinvest in, thereby maximizing free cash flow generation.

In this regard, we see opportunities in the North American P&C, Truckload and Logistics segments, where markets remain fragmented. Above all, we will continue to exercise patience in our acquisition approach to ensure the right strategic and cultural fit.

A Word of Thanks

Our employees are at the heart of everything we do and we are mindful of the vital role they play. TransForce takes pride in placing our employees first, providing them with clear direction and leading-edge business tools. At the end of the day, it is our people's skills that set us apart. I sincerely thank them for their efforts.

Decentralization is the cornerstone of our philosophy. We inspire managers by empowering them with the responsibility and the authority to provide creative customer solutions at the local level in a cost conscious manner. My sincere gratitude goes out to them on behalf of Management. I also wish to thank the TransForce Board of Directors for their guidance throughout the year. They have consistently raised the bar to enhance shareholder value.



Chairmain of the Board,
President and Chief Executive Officer



MANAGEMENT'S DISCUSSION AND ANALYSIS **CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 2015

GENERAL INFORMATION

The following is TransForce Inc.'s management discussion and analysis ("MD&A"). Throughout this MD&A, the terms "Company" and "TransForce" shall mean TransForce Inc., and shall include its independent operating subsidiaries. This MD&A provides a comparison of the Company's performance for its three-month period and year ended December 31, 2015 with the corresponding three-month period and year ended December 31, 2014 and it reviews the Company's financial position as at December 31, 2015. It also includes a discussion of the Company's affairs up to February 11, 2016. This discussion should be read in conjunction with the consolidated financial statements and accompanying notes as at and for the year ended December 31, 2015.

In this document, all financial data are prepared in accordance with the International Financial Reporting Standards ("IFRS"). All amounts are in Canadian dollars, and the term "dollar", as well as the symbols "\$" and "C\$", designate Canadian dollars unless otherwise indicated. Variances may exist as numbers have been rounded. This MD&A also uses non-IFRS financial measures. Please refer to the section of this report entitled "Non-IFRS financial measures" for a complete description of these measures.

The Company's consolidated financial statements have been approved by its Board of Directors ("Board") upon recommendation of its audit committee on February 11, 2016. Prospective data, comments and analysis are also provided wherever appropriate to assist existing and new investors to see the business from a corporate management point of view. Such disclosure is subject to reasonable constraints for maintaining the confidentiality of certain information that, if published, would probably have an adverse impact on the competitive position of the Company.

Additional information relating to the Company can be found on its website at www.transforcecompany.com. The Company's continuous disclosure materials, including its annual and quarterly MD&A, annual and quarterly consolidated financial statements, annual report, annual information form, management proxy circular and the various press releases issued by the Company are also available on its website or directly through the SEDAR system at www.sedar.com.

FORWARD-LOOKING STATEMENTS

The Company may make statements in this report that reflect its current expectations regarding future results of operations, performance and achievements. These are "forward-looking" statements and reflect management's current beliefs. They are based on information currently available to management. Words such as "may", "could", "should", "would", "believe", "expect", "anticipate" and words and expressions of similar import are intended to identify these forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results and those presently anticipated or projected.

The Company wishes to caution readers not to place undue reliance on any forward-looking statements which reference issues only as of the date made. The following important factors could cause the Company's actual financial performance to differ materially from that expressed in any forward-looking statement: the highly competitive market conditions, the Company's ability to recruit, train and retain qualified drivers, fuel price variation and the Company's ability to recover these costs from its customers, foreign currency fluctuations, the impact of environmental standards and regulations, changes in governmental regulations applicable to the Company's operations, adverse weather conditions, accidents, the market for used equipment, changes in interest rates, cost of liability insurance coverage, downturns in general economic conditions affecting the Company and its customers, and credit market liquidity.

The foregoing list should not be construed as exhaustive, and the Company disclaims any obligation subsequently to revise or update any previously made forward-looking statements unless required to do so by applicable securities laws. Unanticipated events are likely to occur. Readers should also refer to the section "Risks and uncertainties" at the end of this MD&A for additional information on risk factors and other events that are not within the Company's control. The Company's future financial and operating results may fluctuate as a result of these and other risk factors.

SELECTED FINANCIAL DATA AND HIGHLIGHTS

(unaudited) (in thousands of dollars, except per share data)	Fourth quarters ended December 31			Years ended December 31		
	2015	2014	Variance	2015	2014	Variance
Revenue before fuel surcharge	938,732	859,072	9%	3,630,863	2,942,938	23%
Fuel surcharge	88,058	127,122	-31%	399,026	452,135	-12%
Total revenue	1,026,790	986,194	4%	4,029,889	3,395,073	19%
EBITDA ¹	111,804	104,996	6%	452,687	349,322	30%
Operating income	66,484	66,502	0%	276,461	227,609	21%
Net income	43,646	43,167	1%	163,437	127,918	28%
Net income from continuing operations	40,605	32,370	25%	145,732	116,229	25%
Adjusted net income from continuing operations ¹	42,885	43,252	-1%	185,582	155,916	19%
Net cash from continuing operations	136,787	97,320	41%	358,845	228,532	57%
Free cash flow from continuing operations ¹	125,762	79,712	58%	291,518	243,442	20%
Per share data						
EPS – diluted	0.44	0.41	7%	1.60	1.26	27%
EPS from continuing operations – diluted	0.41	0.31	32%	1.43	1.15	24%
Adjusted EPS from continuing operations – diluted ¹	0.43	0.41	5%	1.82	1.54	18%
Free cash flow from continuing operations ¹	1.29	0.78	65%	2.91	2.45	19%
Dividends	0.170	0.170	—	0.680	0.605	12%
As a percentage of revenue before fuel surcharge						
EBITDA margin ¹	11.9%	12.2%		12.5%	11.9%	
Depreciation of property and equipment	3.5%	3.3%		3.6%	2.9%	
Amortization of intangible assets	1.3%	1.2%		1.3%	1.2%	
Operating margin ¹	7.1%	7.7%		7.6%	7.7%	
Operating ratio ¹	92.9%	92.3%		92.4%	92.3%	

¹ Please refer to the section “Non-IFRS financial measures”.

Q4 Highlights

- TransForce delivered good fourth quarter results, mainly driven by the Contrans acquisition, despite continuing negative impacts from lower freight volume due to weaker Canadian economic fundamentals and lower oil prices affecting both the Less-Than-Truckload (“LTL”) and specialized Truckload (“TL”) operating divisions servicing the oil and gas industry.
- On October 29, 2015, TransForce announced that it has entered into a definitive Share Purchase Agreement with GFL Environmental Inc., headquartered in Toronto, Ontario, under which it will sell its Waste Management segment to GFL for \$800 million. The transaction closed on February 1, 2016, and GFL paid \$775 million to TransForce, subject to customary closing adjustments, and issued a promissory note to TransForce in an amount of \$25 million, payable in four years and bearing interest at an annual rate of 3%.
- As a result of the sale of its Waste segment, TransForce presented this reportable segment’s results as a discontinued operation and presented the segment’s net assets under the caption Disposal group held for sale on its consolidated statements of financial position.
- A net income from discontinued operations of \$3.0 million was recorded in Q4 2015. That income was related to the Company’s Waste segment and its rig moving operation which ceased its activities in 2015. Rig moving’s property and equipment have been classified as held for sale. Consequently, the Company’s Logistics operating segment is now presented as a separate reportable segment.
- Total revenue increased by \$40.6 million, to \$1.03 billion, largely the result of business acquisitions and foreign currency exchange movements, offset by decreases in fuel surcharge and volume.

- The operating income stood unchanged from last year; increases resulting from business acquisitions were offset by decreases in the LTL and TL segments. Consolidated operating margin¹ decreased from 7.7% in last year's Q4 to 7.1%.
- Net income slightly increased at \$43.6 million and diluted earnings per share (diluted "EPS") were 44 cents, up 3 cents from last year's same quarter.
- Adjusted diluted EPS from continuing operations¹, a non-IFRS measure, up 5% to 43 cents from 41 cents in Q4 2014.
- Free cash flow ("FCF") from continuing operations¹, a non-IFRS measure, was \$125.8 million; significantly higher than the \$79.7 million generated in Q4 2014 due largely to higher net cash from continuing operations of \$39.5 million, of which positive changes in working capital contributed \$30.1 million.
- Q4 2015 dividends paid and share buybacks amounted to \$16.7 million and \$7.7 million, respectively.
- In Q4, the Company's long-term debt decreased by \$74.9 million to \$1.62 billion mainly due to a net repayment of \$106.2 million, offset by a \$35.8 million currency exchange movement.

ABOUT TRANSFORCE

Services

TransForce is a North American leader in the transportation and logistics industry, operating across Canada and the United States through its subsidiaries. TransForce creates value for shareholders by identifying strategic acquisitions and managing a growing network of wholly-owned operating subsidiaries. Under the TransForce umbrella, companies benefit from financial and operational resources to build their businesses and increase their efficiency. TransForce companies service the following segments:

- Package and Courier;
- Less-Than-Truckload;
- Truckload;
- Logistics.

Seasonality of operations

The activities conducted by the Company are subject to general demand for freight transportation. Historically, demand has been relatively stable with the first quarter being generally the weakest in terms of demand. Furthermore, during the harsh winter months, fuel consumption and maintenance costs tend to rise.

Human resources

The Company's has 15,496 employees who work in TransForce's different business segments across North America. This compares to 16,050 employees as at December 31, 2014. The year-over-year decrease, of 554, is attributable to business acquisitions, which added 171 new employees, offset by rationalizations affecting 725 employees mainly in the Package and Courier and LTL segments, and in the rig moving services. The Company considers that it has a relatively low turnover rate among its employees and that employee relations are very good.

Equipment

The Company has the largest trucking fleet in Canada and a presence in the U.S. market. As at December 31, 2015, the Company had 5,938 power units and 17,706 trailers. This compares to 6,220 power units and 18,680 trailers as at December 31, 2014.

Terminals

TransForce's head office is in Montréal, Québec and its executive office is located in Etobicoke, Ontario. As at December 31, 2015, the Company had 406 terminals. Of these, 307 are located in Canada, 187 and 120 respectively in Eastern and Western Canada. The Company also had 99 terminals in the United States. This compares to 440 terminals as at December 31, 2014. Business acquisitions brought 24 new terminals. The terminal consolidation achieved in the last twelve months decreased the total number of terminals by 58, mainly in Package and Courier and LTL segments, and in the rig moving services. In Q4 2015, the Company closed 18 sites.

¹ Please refer to the section "Non-IFRS financial measures".

Customers

The Company has a diverse customer base across a broad cross-section of industries with no single client accounting for more than 5% of consolidated revenue. Because of its customer diversity, as well as the wide geographic scope of the Company's service offering and the range of segments in which it operates, a downturn in the activities of individual customers or customers in a particular industry is not expected to have a material adverse impact on the operations of the Company. The Company concluded strategic partnerships with other transport companies in order to extend its service offering to customers across North America.

Revenue by Top Customers' Industry (50% of total revenue)	
Retail	30%
Manufactured Goods	11%
Energy	9%
Services	9%
Automotive	8%
Waste Management	7%
Food & Beverage	6%
Forest Products	5%
Metals & Mining	4%
Building Materials	3%
Chemicals & Explosives	3%
Maritime Containers	2%
Others	3%

(As of December 31, 2015)

CONSOLIDATED RESULTS

This section provides general comments on the consolidated results of operations. A more detailed analysis is provided in the "Segmented results" section.

2015 significant business acquisitions

In line with the Company's growth strategy, effective on May 4, 2015, the Company completed the strategic acquisition of Hazen Final Mile which, combined with Dynamex, establishes the premier final mile transportation service provider in the United States. Together, the businesses will operate in more than 70 markets. Founded in 1992, the company is led by an experienced management team. With service in 17 major U.S. markets, annual revenue exceeds US\$45 million. Hazen Final Mile will retain its brand and operate as a separate division.

On July 9, 2015, TransForce completed the acquisition of All Canadian Courier ("ACC") to further grow its Package and Courier business. Established in 1989, ACC has earned a reputation for offering unique solutions to their customers' specific challenges with unparalleled service and advanced shipping, tracking and reporting technology systems. Based on historical information, ACC is expected to generate \$25 million in annual revenue. ACC has seven locations across Canada including Calgary, Edmonton, London, Toronto, Ottawa and Halifax.

On December 1, 2015, TransForce completed the purchase of 75% of Optimal Freight ("Optimal"). Optimal operates in the Logistics segment and is located in the United States. As part of the acquisition, the Company entered into a forward purchase agreement with the non-controlling interest holder for the remaining 25% at a variable price based on earnings levels in the future periods. The forward purchase agreement can be exercised anytime during 2018 to 2020. Based on historical information, Optimal is expected to generate US\$16.0 million in annual revenue in 2016.

Revenue from continuing operations

TransForce reported a revenue increase as a result of business acquisitions. For the fourth quarter ended December 31, 2015, total revenue increased \$40.6 million, or 4%, to \$1.03 billion from \$986.2 million in Q4 2014 mainly due to the contribution of business acquisitions offset by lower fuel surcharge revenue. Excluding business acquisitions and the fuel surcharge variation, revenue slightly decreased by \$7.3 million or 0.8%. This decrease is the net result of the positive impact from foreign currency exchange movements, for approximately 5%, neutralized by decreases in revenue from existing operations. The average exchange rate used to convert TransForce's revenue generated in U.S. dollars was 18% higher this quarter (C\$1.3352) than it was for the same quarter last year (C\$1.1360). With respect to volume, the LTL and the specialized TL operating segments experienced the biggest decreases.

For the year ended December 31, 2015, total revenue increased \$634.8 million, or 19%, to \$4.03 billion. The increase is due to the contribution from business acquisitions and foreign currency exchange movements for approximately 4.2%, which were offset by fuel surcharge declines and decreases in revenue from existing operations, mainly in Package and Courier, LTL and specialized TL.

Operating expenses from continuing operations

For the fourth quarter, the Company's operating expenses increased \$40.6 million from \$919.7 million in 2014 to \$960.3 million in 2015. The increase is mainly attributable to business acquisitions offset by a \$39.2 million decrease, or 4%, in the existing operations' operating expenses. The latter is attributable to fuel price decrease, demand contraction, rationalization and terminal optimization, resulting in decreases in materials and services expenses of \$42.8 million. TransForce continued this improvement process and incurred \$4.0 million of employee termination expenses, up \$2.5 million from last year's same quarter. These termination costs are the main cause of the \$7.6 million increase in personnel expense. The remaining portion is attributable to the currency impact on the driver compensation of the U.S. TL division of the Company.

The operating ratio¹, a non-IFRS measure, increased to 92.9% in this quarter, compared to 92.3% for Q4 2014 as a result of slight margin decreases, mainly from the LTL segment where the volume decreased, particularly in Western Canada.

For the year ended December 31, 2015, the Company's operating expenses increased \$586.0 million from \$3.17 billion in 2014 to \$3.75 billion in 2015. Excluding business acquisitions, operating expenses decreased \$178.5 million, or 6% mainly attributable to fuel price decrease, demand contraction, rationalization and terminal optimization. Compared to last year, operating expenses, excluding acquisitions, decreased proportionately with revenue; as a result, the operating ratio was virtually unchanged from last year and stood at 92.4% in 2015.

Depreciation and amortization

For the three-month period and year ended December 31, 2015, depreciation of property and equipment increased by \$4.8 million and \$43.1 million, respectively, mainly due to business acquisitions.

For the three-month period and year ended December 31, 2015, intangible asset amortization increased by \$2.0 million and \$11.5 million, respectively, mainly due to business acquisitions.

Operating income

For the fourth quarter, TransForce's operating income was unchanged compared to last year at \$66.5 million. Positive impacts from business acquisitions (\$6.2 million), higher gains on disposition of property and equipment compared to last year's same quarter (\$4.4 million) and the estimated foreign currency effect on the operating income of existing operations (\$6.0 million) were offset by declines in revenue and margins attributable to the weaker Canadian economic fundamentals and lower oil prices affecting both the Less-Than-Truckload ("LTL") and specialized Truckload ("TL") operating divisions servicing the oil and gas industry. As a percentage of revenue before fuel surcharge, the operating margin decreased from 7.7% in last year's Q4 to 7.1%.

For the year ended December 31, 2015, TransForce's operating income increased by \$48.9 million to \$276.5 million in 2015 compared to \$227.6 million for 2014, mainly due to business acquisitions. The increase reflects a \$62.2 million contribution from business acquisitions partially offset by \$13.4 million operating income decline from existing operations on lower revenue. As a percentage of revenue before fuel surcharge, the operating margin slightly decreased from 7.7% last year to 7.6%.

Finance income and costs

(unaudited) (in thousands of dollars)	Fourth quarters ended December 31		Years ended December 31	
	2015	2014	2015	2014
Finance costs (income)				
Interest expense on long-term debt	14,850	15,698	60,036	44,854
Net foreign exchange (gain) loss	(1,809)	(2,708)	(1,145)	3,285
Net change in fair value of foreign exchange derivatives	295	1,132	7,194	1,804
Net change in fair value of interest rate derivatives	(5,668)	1,728	5,694	3,256
Other financial expenses	1,270	1,770	3,926	7,721
Accelerated accretion expense on conversion of debentures	—	—	—	9,541
Reclassification to income of accumulated unrealized gain on investment in equity securities	—	—	—	(6,245)
Net finance costs	8,938	17,620	75,705	64,216

¹ Please refer to the section "Non-IFRS financial measures".

Interest expense on long-term debt

Included in Q4 2014 interest expense was a \$2.8 million outlay of make whole penalties on the early repayment of a Contrans debt. Excluding this repayment, interest expense on long-term debt for the three-month period and year ended December 31, 2015, increased, respectively, \$2.0 million and \$18.0 million mainly due to higher borrowings as a result of the 2014 significant business acquisitions.

Net foreign exchange gain or loss and hedge accounting

The Company's net foreign exchange gain or loss for 2014 was mainly attributable to the portion of the revolving facility and the term loan denominated in U.S. dollars.

However, effective July 3, 2014, management decided to designate as a hedge from that date a portion of the Company's U.S. dollar denominated debt held against its net investments in U.S. operations. This accounting treatment allows the Company to offset the designated portion of foreign exchange gain (or loss) of its debt against the foreign exchange loss (or gain) of its net investments in U.S. operations and present them in other comprehensive income.

Net change in fair value of derivatives

The Company's derivative financial instruments, which are used to mitigate foreign exchange and interest rate risks, have seen their fair values increase by \$5.4 million in Q4 2015, while in the same quarter last year their fair values decreased \$2.9 million, and for the year ended December 31, 2015, their fair values decreased by \$12.9 million, compared to \$5.1 million in 2014. The derivatives' fair value is subject to market price fluctuations in foreign exchange and interest rates.

Other financial expenses

The other financial expenses mainly comprise bank charges and the decreases from last year's same periods is mainly due to the \$1.5 million finance costs recorded in Q3 2014 to secure financing for the Contrans transaction. Also included in other finance expense is the fair value adjustment related to the liability of the deferred share unit plan for the board members. In 2015, a gain of \$1.2 million was recorded, while, in 2014, there was a loss of \$0.4 million related to this plan.

Accelerated accretion

Last year's redemptions of convertible debentures resulted in accelerated accretion expenses of \$5.5 million during the first quarter and of \$4.0 million during the third quarter representing the total unamortized financing fees of each of the redeemed convertible debentures as at their respective date of announcement.

Reclassification to income of accumulated unrealized gain on investment in equity securities of Vitran

As a result of the acquisition of Vitran in Q1 2014, the cumulative \$6.2 million fair value pre-tax gain recorded to other comprehensive income related to the Vitran shares previously held, had been reclassified to profit or loss in Q1 2014.

Income tax expense

For the quarter ended December 31, 2015, the effective tax rate was 29.4%. The income tax expense of \$16.9 million reflected a \$1.4 million unfavourable variance versus an anticipated income tax expense of \$15.5 million based on the Company's statutory tax rate of 26.9%. The unfavourable variance is mainly due to a \$2.2 million of non-deductible expenses, mainly foreign currency capital loss, partially offset by positive differences between the statutory rate and the effective rates in other jurisdictions of \$1.6 million.

For the year ended December 31, 2015, the effective tax rate was 27.5%. The income tax expense of \$55.0 million reflected a \$1.0 million unfavourable variance versus an anticipated income tax expense of \$54.0 million based on the Company's statutory tax rate of 26.9%. The unfavourable variance is mainly due to a \$4.5 million of non-deductible expenses, mainly foreign currency capital loss, and a \$2.7 million tax expense on multi-jurisdiction distribution. These were partially offset by positive differences between the statutory rate and the effective rates in other jurisdictions of \$6.3 million.

Net income from discontinued operations

As a result of the divestiture of its Waste Management segment, which has been completed on February 1, 2016, and the Company's decision to cease its operations in the rig moving services, these two operating segments have been reclassified and presented on a net basis as discontinued operations in the consolidated statements of income and cash flows.

For the three-month period ended December 31, 2015, TransForce's net income from discontinued operations amounted to \$3.0 million compared to \$10.8 million in Q4 2014. Waste Management's net income increased \$2.9 million, mainly attributable to a gain on disposition of a property for \$3.6 million. Rig moving's net loss amounted to \$9.5 million in Q4 2015 as a result of provisions for terminal closures and cessation of operations and a \$6.2 million impairment on the equipment classified as assets held for sale. These assets are expected to be sold in 2016.

For the year ended December 31, 2015, TransForce's net income from discontinued operations amounted to \$17.7 million compared to \$11.7 million in 2014. Waste Management's net income increased \$7.3 million, mainly attributable to a gain on disposition of a property for \$3.6 million. Rig moving's net loss amounted to \$19.9 million in 2015.

The following table presents some financial information from continuing and discontinued operations:

(unaudited) (in thousands of dollars, except per share data)	Fourth quarters ended December 31		Years ended December 31	
	2015	2014	2015	2014
Adjusted EBITDA¹				
From continuing operations	111,804	104,996	452,687	349,322
From discontinued operations:				
Waste Management	25,620	18,011	81,188	64,047
Rig moving services	(7,883)	4,332	(19,181)	14,956
	129,541	127,339	514,694	428,325
Net income (loss)				
From continuing operations	40,605	32,370	145,732	116,229
From discontinued operations:				
Waste Management	12,559	9,682	37,604	30,308
Rig moving services	(9,518)	1,115	(19,899)	(18,619)
	43,646	43,167	163,437	127,918
Diluted EPS²				
From continuing operations	0.41	0.31	1.43	1.15
From discontinued operations:				
Waste Management	0.13	0.09	0.37	0.30
Rig moving services	(0.10)	0.01	(0.20)	(0.18)
	0.44	0.41	1.60	1.26

1 Please refer to the section "Non-IFRS financial measures".

2 Total EPS may differ from the sum due to the effects of rounding.

Net income and adjusted net income from continuing operations

(unaudited) (in thousands of dollars, except per share data)	Fourth quarters ended December 31		Years ended December 31	
	2015	2014	2015	2014
Net income	43,646	43,167	163,437	127,918
Amortization of intangible assets related to business acquisitions, net of tax	7,651	6,321	28,785	21,679
Net change in fair value of derivatives, net of tax	(3,943)	2,104	9,483	3,722
Net foreign exchange (gain) loss, net of tax	(1,568)	(2,350)	(993)	2,851
Accelerated accretion expense on conversion of debentures, net of tax	—	—	—	7,018
Reclassification to income of accumulated unrealized gain on investment in equity securities, net of tax	—	—	—	(5,420)
Transaction costs on business combinations, net of tax	—	2,762	—	7,792
Tax on multi-jurisdiction distributions	140	2,045	2,575	2,045
Net income from discontinued operations	(3,041)	(10,797)	(17,705)	(11,689)
Adjusted net income from continuing operations¹	42,885	43,252	185,582	155,916
Adjusted earnings per share from continuing operations¹ – basic	0.44	0.42	1.85	1.57
Adjusted earnings per share from continuing operations¹ – diluted	0.43	0.41	1.82	1.54

For the three-month period ended December 31, 2015, TransForce's net income amounted to \$43.6 million compared to \$43.2 million in Q4 2014, an increase of \$0.4 million over last year's same quarter attributable to higher gain, net of tax, on variation in the fair values of certain derivative financial instruments for \$6.0 million offset by a lower net income from discontinued operations for \$7.8 million. As mentioned above, the operating income from continuing operations was stable compared to last year's same quarter. The Company's adjusted net income from continuing operations¹, a non-IFRS measure, which excludes items listed in the above table, was \$42.9 million for the fourth quarter compared to \$43.3 million in Q4 2014, up 0.8% or \$0.4 million. The adjusted earnings per share from continuing operations, fully diluted, increased 5% to 43 cents.

For the year ended December 31, 2015, TransForce's net income amounted to \$163.4 million compared to \$127.9 million in 2014, an increase of \$35.5 million over last year attributable to higher operating income, for \$48.9 million mainly due to business acquisitions, and the higher net income from discontinued operations. These items were partially offset by higher net finance costs and income tax expense. The Company's adjusted net income from continuing operations was \$185.6 million for the year compared to \$155.9 million in 2014, up 19% or \$29.7 million mainly due to business acquisitions. The adjusted earnings per share from continuing operations, fully diluted, increased 18% to \$1.82, from \$1.54 in 2014.

2015 Guidance

TransForce met or exceeded its guidance for 2015. Last quarter, the Company indicated that full year 2015 continuing operations were expected to generate total revenue of approximately \$4.3 billion, EBITDA from continuing operations between \$520 million and \$540 million and basic adjusted EPS from continuing operations in the range of \$2.07-\$2.22. The guidance provided included the Waste Management segment but excluded the rig moving services segment. The following table presents the actual results of our above noted guidance in accordance with the financial statement presentation for the year ended December 31, 2015:

(unaudited) (in thousands of dollars, except per share data)			Basic
	Total Revenue	EBITDA	adjusted EPS
From continuing operations	4,029,889	452,687	1.85
From Waste Management	210,331	81,188	0.38
	4,240,220	533,875	2.23

¹ Please refer to the section "Non-IFRS financial measures".

SEGMENTED RESULTS

For the purpose of this section, operating income and EBITDA refer to the same definitions as in the section “Non-IFRS financial measures” for the consolidated results. Also, to facilitate the comparison of business level activity and operating costs between periods, the Company compares the revenue before fuel surcharge (“revenue”) and reallocates the fuel surcharge revenue to materials and services expenses within operating expenses. Note that “Total revenue” is not affected by this reallocation.

Selected segmented financial information from continuing operations

(unaudited) (in thousands of dollars)	Package and Courier	Less-Than- Truckload	Truckload	Logistics	Corporate	Eliminations	Total
Q4 2015							
Revenue before fuel surcharge	340,123	188,572	368,693	58,994	—	(17,650)	938,732
% of total revenue ¹	35%	20%	39%	6%			100%
EBITDA	35,244	18,400	57,623	6,138	(5,601)	—	111,804
EBITDA margin ²	10.4%	9.8%	15.6%	10.4%			11.9%
Operating income	26,471	10,758	30,078	5,285	(6,108)	—	66,484
Operating margin ²	7.8%	5.7%	8.2%	9.0%			7.1%
Net capital expenditures ^{3,4}	4,698	(3,505)	9,458	25	349		11,025
Q4 2014 (restated)							
Revenue before fuel surcharge	307,019	201,858	314,515	52,678	—	(16,998)	859,072
% of total revenue ¹	34%	24%	37%	5%			100%
EBITDA	35,013	23,091	49,241	5,089	(7,438)	—	104,996
EBITDA margin ²	11.4%	11.4%	15.7%	9.7%			12.2%
Operating income	26,569	14,764	28,772	4,247	(7,850)	—	66,502
Operating margin ²	8.7%	7.3%	9.1%	8.1%			7.7%
Net capital expenditures ⁵	8,060	1,876	7,305	77	290		17,608
2015							
Revenue before fuel surcharge	1,249,802	762,071	1,439,226	249,033	—	(69,269)	3,630,863
% of total revenue ¹	33%	22%	39%	6%			100%
EBITDA	124,039	77,224	239,536	31,393	(19,505)	—	452,687
EBITDA margin ²	9.9%	10.1%	16.6%	12.6%			12.5%
Operating income	90,195	45,756	134,080	27,872	(21,442)	—	276,461
Operating margin ²	7.2%	6.0%	9.3%	11.2%			7.6%
Total assets	728,797	658,035	1,576,663	132,330	30,922		3,126,747
Net capital expenditures ⁴	16,570	5,010	53,946	(11,065)	2,866		67,327
2014 (restated)							
Revenue before fuel surcharge	1,169,002	752,357	910,847	175,008	—	(64,276)	2,942,938
% of total revenue ¹	38%	26%	31%	5%			100%
EBITDA	126,594	94,215	135,466	20,036	(26,989)	—	349,322
EBITDA margin ²	10.8%	12.5%	14.9%	11.4%			11.9%
Operating income	91,225	61,094	86,860	16,872	(28,442)	—	227,609
Operating margin ²	7.8%	8.1%	9.5%	9.6%			7.7%
Total assets	645,894	705,976	1,522,800	143,487	12,673		3,030,830
Net capital expenditures ⁵	19,388	(48,816)	13,795	(197)	920		(14,910)

1 Before eliminations, except for the total.

2 As a percentage of revenue before fuel surcharge.

3 Additions to property and equipment, net of proceeds from sale of property and equipment and assets held for sale.

4 2015 net capital expenditures include proceeds from the sale of properties for considerations of \$13.6 million in the LTL (\$5.8 million in Q4), of 19.2 million in the TL (nil in Q4) and of \$12.6 million in Logistics (nil in Q4).

5 2014 net capital expenditures include proceeds from the sale of properties for considerations of \$1.0 million in the Package and Courier (nil in Q4) and of \$57.3 million in the LTL (\$0.4 million in Q4).

When the Company changes the structure of its internal organization in a manner that causes the composition of its reportable segments to change, the corresponding information for the comparative period is restated to conform to the new structure. In 2015, the main modifications to the composition of reportable segments were the reallocation of Cornerstone Logistics, a Contrans division, which moved from TL to the Logistics segment, and the exclusion of the discontinued operations: Waste Management and rig moving services. Rig moving services were previously included in Logistics and Other Services. Comparative figures have been restated.

Package and Courier

(unaudited) - (in thousands of dollars)

	Fourth quarters ended December 31				Years ended December 31			
	2015	%	2014	%	2015	%	2014	%
Total revenue	362,782		341,755		1,347,823		1,303,768	
Fuel surcharge	(22,659)		(34,736)		(98,021)		(134,766)	
Revenue	340,123	100.0%	307,019	100.0%	1,249,802	100.0%	1,169,002	100.0%
Materials and services expenses (net of fuel surcharge)	206,063	60.6%	174,881	57.0%	740,603	59.3%	656,010	56.1%
Personnel expenses	70,916	20.9%	69,178	22.5%	276,859	22.2%	279,387	23.9%
Other operating expenses	27,880	8.2%	27,956	9.1%	108,250	8.7%	107,174	9.2%
Depreciation of property and equipment	4,787	1.4%	4,661	1.5%	19,068	1.5%	18,182	1.6%
Amortization of intangible assets	3,986	1.2%	3,783	1.2%	14,776	1.2%	17,187	1.5%
Loss (gain) on sale of property and equipment	20	0.0%	(9)	0.0%	51	0.0%	(163)	0.0%
Operating income	26,471	7.8%	26,569	8.7%	90,195	7.2%	91,225	7.8%
EBITDA	35,244	10.4%	35,013	11.4%	124,039	9.9%	126,594	10.8%

Revenue

During the three-month period and year ended December 31, 2015, revenue increased by 11% and 7%, respectively, compared to the same periods in the prior year, mainly due to: the acquisition of Ensenda in May 2014, a specialist of same-day and last mile delivery based in California; the acquisition of Hazen Final Mile in May 2015, a same day and last mile delivery operation that services retail clients in the United States; and the acquisition of All Canadian Courier ("ACC") in July 2015. Excluding business acquisitions, revenue for the three-month period ended December 31, 2015 increased by \$12.2 million or 4% from prior year and \$8.0 million or 1% compared to the year ended December 31, 2014. In the fourth quarter, the favourable foreign exchange impact on the conversion of revenue of the segment's U.S. operating divisions and increased volumes from U.S. e-commerce initiatives were partially offset by the non-renewal of unprofitable business in the Canadian and U.S. same-day markets and lower shipping activity across the segment's customer base. The segment's operating divisions continue to focus on a strategy of sourcing and servicing customers in new markets, in particular e-commerce, to mitigate the decline.

Operating expenses

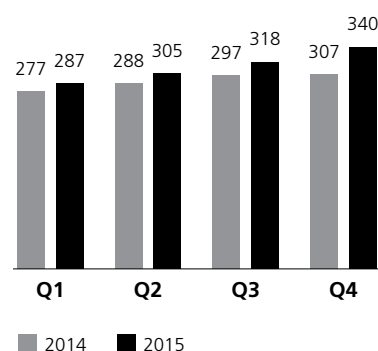
During the three-month period ended December 31, 2015, operating expenses from Package and Courier activities were up by \$33.2 million to \$313.7 million, from \$280.5 million in Q4 2014. The increase in operating expenses is mainly attributable to business acquisitions and unfavourable foreign exchange impact on the conversion of expenses of the segment's U.S. operating divisions. Personnel cost savings from right sizing the same-day business in the U.S., ongoing strategic personnel changes focused on synergies at several operating divisions within the segment, and lower direct labour costs due to ongoing productivity initiatives have helped to offset the materials and services expense increase in both the three- and twelve-month periods. The Package and Courier management team continue to execute long term strategic plans to consolidate facilities and operations within the segment to increase productivity and streamline efficiencies. During the third and fourth quarter, the Loomis sorting and handling operations historically handled out of the Loomis Brampton hub were transferred and integrated within Canpar's state of the art John Cyoepck Center in Toronto. The move resulted in 69 employee terminations and \$1.6 million of severance expense. The project is expected to generate approximately \$1.4 million yearly savings with a payback period of 2.5 years, factoring in the related capital expenditures. Excluding business acquisitions, personnel expenses decreased \$0.5 million or 1% for the three-month period and \$9.0 million or 3% for the twelve-month period compared to the prior year. Excluding business acquisitions, materials and services expenses increased \$15.6 million or 9% for the three-month period ended December 31, 2015, and \$27.1 million or 4% for the year ended December 31, 2015. The unprecedented declines in fuel prices have resulted in lower fuel surcharge revenue charged to customers, which were only partially offset by core operating cost declines leaving a slight net overall increase in materials and services expenses, excluding business acquisitions.

Operating income

Package and Courier operating income for the three-month period ended December 31, 2015 was consistent with prior year at \$26.5 million and the operating margin decreased to 7.8%, down 90 basis points from last year's comparable period. For the twelve-month period ended December 31, 2015, operating income decreased by 1% to \$90.2 million for a 7.2% operating margin, down 60 basis points from last year. The segment experienced increased transportation costs that put pressure on margins; however, these were partially offset by personnel and other operating expense savings.

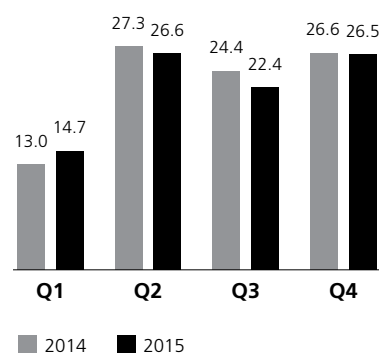
Revenue - Package and Courier

(in millions of \$)



Operating income - Package and Courier

(in millions of \$)



Less-Than-Truckload

(unaudited) - (in thousands of dollars)

	Fourth quarters ended December 31				Years ended December 31			
	2015	%	2014	%	2015	%	2014	%
Total revenue	216,226		240,825		882,908		910,810	
Fuel surcharge	(27,654)		(38,967)		(120,837)		(158,453)	
Revenue	188,572	100.0%	201,858	100.0%	762,071	100.0%	752,357	100.0%
Materials and services expenses (net of fuel surcharge)	101,044	53.6%	103,228	51.1%	399,875	52.5%	376,799	50.1%
Personnel expenses	56,969	30.2%	59,308	29.4%	233,230	30.6%	237,911	31.6%
Other operating expenses	16,190	8.6%	16,220	8.0%	62,186	8.2%	57,768	7.7%
Depreciation of property and equipment	5,517	2.9%	6,068	3.0%	22,795	3.0%	24,935	3.3%
Amortization of intangible assets	2,125	1.1%	2,259	1.1%	8,673	1.1%	8,186	1.1%
Loss (gain) on sale of property and equipment and assets held for sale	(4,031)	(2.1%)	11	0.0%	(10,444)	(1.4%)	(14,336)	(1.9%)
Operating income	10,758	5.7%	14,764	7.3%	45,756	6.0%	61,094	8.1%
EBITDA	18,400	9.8%	23,091	11.4%	77,224	10.1%	94,215	12.5%

Revenue

For the three-month period ended December 31, 2015, revenue from the LTL segment decreased 7% to \$188.6 million. Tonnage decreased 8.3%, while yield (\$ per tonne) strengthened by 5.3%. Persistently lower fuel prices have decreased fuel surcharge revenues 29% for the quarter and 28% on a year to date basis. The strong U.S. dollar year-over-year appreciation positively impacted this quarter's revenue by approximately \$5.4 million and by \$19 million on a year to date basis. Excluding the Vitran acquisition, revenue from the LTL segment decreased 4% to \$723.6 million and tonnage decreased 6.3% for the year versus last year. This was partially offset by a stronger yield, which was up 5% year over year.

Operating expenses

For the fourth quarter of 2015, operating expenses, before gain on sale of assets, were down 3% or \$5.2 million. For the year ended December 31, 2015, operating expenses increased 4%, or \$25.1 million, mainly due to business acquisition. Excluding business acquisition and gain on sale of assets, operating expenses decreased 2% or \$16.8 million. Decreases in personnel costs as well as equipment in conjunction with terminal consolidation and closures continue to generate significant savings. For the twelve month period ended December 31, 2015, excluding business acquisition, personnel expenses decreased 5% or \$11.0 million and depreciation has been reduced by 11% or \$2.7 million. The LTL companies have shed 82 tractors and 232 trailers and other pieces of equipment in the last twelve months in an effort to maximise the use of their equipment and to adjust to customer demand. Further reductions are expected in the coming year as the LTL companies methodically assess their profitability by customer and region in light of the current economic conditions.

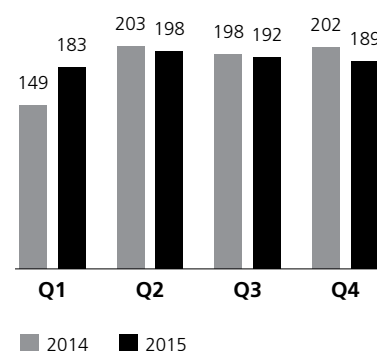
Operating income

In the fourth quarter of 2015, the Company sold the Lloydminster, Saskatchewan property, which generated a \$0.5 million gain, as well as a property in Kamloops, British-Colombia, for a gain of \$3.3 million.

For the quarter ended December 31, 2015, operating income decreased \$4.0 million to \$10.8 million from \$14.8 million in Q4 2014. Included in Q4 2015, is a \$4.0 million gain on sale of assets. Q4 2015 operating income was disappointing to the management as volume decreases, particularly in Western Canada, inevitably eroded the LTL operating margin even though aggressive measures were taken to adjust to demand. For the year ended December 31, 2015, operating income decreased \$15.3 million to \$45.8 million from \$61.1 million in 2014. From this decrease, \$3.9 million resulted from the lower gain on sale of assets and \$1.8 million from additional severance cost. Before business acquisition and gain on sale of assets, operating income deterioration was \$11.9 million for the year due in part to softer revenues compared to the previous year. Operating margin for the year ended December 31, 2015, was 6.0%, down from 8.1% in 2014.

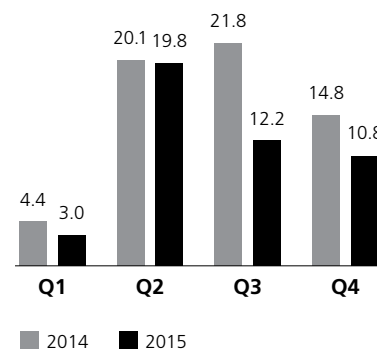
Revenue - LTL

(in millions of \$)



Operating income - LTL

(in millions of \$)



Truckload

(unaudited) - (in thousands of dollars)

	Fourth quarters ended December 31				Years ended December 31			
	2015	%	2014	%	2015	%	2014	%
Total revenue	405,301		366,237		1,614,191		1,062,391	
Fuel surcharge	(36,608)		(51,722)		(174,965)		(151,544)	
Revenue	368,693	100.0%	314,515	100.0%	1,439,226	100.0%	910,847	100.0%
Materials and services expenses (net of fuel surcharge)	190,051	51.5%	170,970	54.4%	745,808	51.8%	523,177	57.4%
Personnel expenses	107,609	29.2%	84,215	26.8%	409,256	28.4%	222,561	24.4%
Other operating expenses	15,707	4.3%	11,654	3.7%	56,801	3.9%	33,963	3.7%
Depreciation of property and equipment	21,868	5.9%	16,607	5.3%	84,382	5.9%	39,959	4.4%
Amortization of intangible assets	5,677	1.5%	3,862	1.2%	21,074	1.5%	8,647	0.9%
Gain on sale of property and equipment and assets held for sale	(2,297)	(0.6%)	(1,565)	(0.5%)	(12,175)	(0.8%)	(4,320)	(0.5%)
Operating income	30,078	8.2%	28,772	9.1%	134,080	9.3%	86,860	9.5%
EBITDA	57,623	15.6%	49,241	15.7%	239,536	16.6%	135,466	14.9%

Revenue

For the three-month period ended December 31, 2015, TL revenue increased by \$54.2 million or 17% from \$314.5 million in Q4 2014 to \$368.7 million mainly due to the acquisition of Contrans in mid-November 2014 and to the favourable foreign exchange impact on the conversion of revenue denominated in U.S. dollars for existing operations of \$20.3 million of which \$14.3 million came from Transport America acquired in the third quarter of 2014. Excluding the acquisition of Contrans, revenue slightly decreased by \$7.8 million or 2% which is essentially explained by lower results coming from the specialized divisions servicing the oil and gas industry impacted by slower activities due to the decrease in oil prices. This decrease in the oil and gas industry is also reflected in the year-to-date variance as this situation also affected previous quarters of 2015. On a yearly basis, revenues have increased by \$528.4 million or 58% coming from the two above mentioned acquisitions in 2014 and when excluded, revenues decreased by \$40.2 million or 4%, mainly explained by slower activities in the oil and gas industry.

As part of an asset-light strategy, the Company focused on earning revenues from brokerage and as a result, had \$214.8 million in brokerage 2015 revenues which represents 15% of revenue in 2015 and 2014, generating approximately 17% in gross margin.

Operating expenses

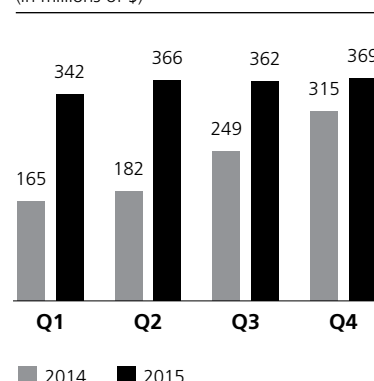
Mainly due to the acquisition of Contrans, operating expenses from TL activities for the last quarter of 2015 were up by \$52.9 million to \$338.6 million, from \$285.7 million in Q4 2014 which represents a 19% increase considering the fact that Contrans was only acquired in the middle of the last quarter of the previous year. This is in line with the increase in revenues from the contribution of Contrans. Excluding this business acquisition, operating expenses decreased by 1% to \$282.7 million when compared to \$285.7 million in Q4 2014, slightly lower than the decrease in revenues of 2%. The Company continues to be cost-conscious and its priority remains to improve the efficiency and profitability of its existing fleet and network of independent contractors. For the year ended December 31, 2015, excluding business acquisitions, the operating expenses decreased \$31.2 million or 4% which is in line with the revenue decrease. This decrease in operating expenses is mainly explained by the decrease in sub-contractors' costs due to the reduction in the Company's activities and fuel price decline. In addition, the Company aims to dispose of any assets in excess while generating extra gains on these sales. This goal has been reached by adding a \$2.3 million gain on sale of assets in the last quarter of 2015 for a total of \$12.2 million in gains on sale of excess assets in the TL segment.

Operating income

The Company's operating income in the TL segment for the quarter ended December 31, 2015 increased by \$1.3 million, to \$30.1 million compared to \$28.8 million in Q4 2014. The acquisition of Contrans contributed \$6.0 million to the operating income increase offsetting the decrease in operating income from existing companies in the last quarter of 2015. The operating margin for this quarter was 8.2% compared to 9.1% in Q4 2014. Excluding the acquisition of Contrans, the operating margin would have been 7.8% which is in line with TransForce's mission to grow from strategic and profitable acquisitions. On a year-to-date basis, the operating margin has slightly decreased from 9.5% to 9.3%, mainly helped by Contrans that contributed positively with an 11.0% operating margin. Given the revenue decrease mainly coming from the divisions servicing the oil and gas industry, the Company continued to maintain its operating margin by adjusting costs to demand.

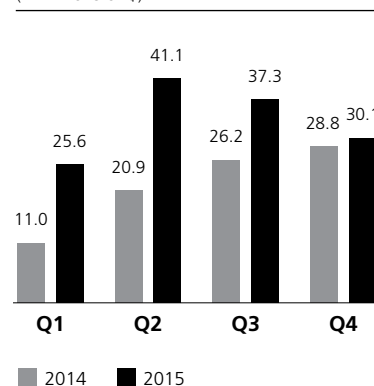
Revenue - Truckload

(in millions of \$)



Operating income - Truckload

(in millions of \$)



Logistics

(unaudited) - (in thousands of dollars)

	Fourth quarters ended December 31				Years ended December 31			
	2015	%	2014	%	2015	%	2014	%
Total revenue	60,131		54,375		254,236		182,380	
Fuel surcharge	(1,137)		(1,697)		(5,203)		(7,372)	
Revenue	58,994	100.0%	52,678	100.0%	249,033	100.0%	175,008	100.0%
Materials and services expenses (net of fuel surcharge)	42,308	71.7%	38,809	73.7%	181,422	72.9%	124,263	71.0%
Personnel expenses	7,453	12.6%	5,745	10.9%	29,050	11.7%	21,034	12.0%
Other operating expenses	3,201	5.4%	3,337	6.3%	12,061	4.8%	11,393	6.5%
Depreciation of property and equipment	354	0.6%	464	0.9%	1,600	0.6%	2,088	1.2%
Amortization of intangible assets	499	0.8%	378	0.7%	1,921	0.8%	1,076	0.6%
Gain on sale of property and equipment and of business	(106)	(0.2%)	(302)	(0.6%)	(4,893)	(2.0%)	(1,718)	(1.0%)
Operating income	5,285	9.0%	4,247	8.1%	27,872	11.2%	16,872	9.6%
EBITDA	6,138	10.4%	5,089	9.7%	31,393	12.6%	20,036	11.4%

Revenue

For the quarter ended December 31, 2015, revenue from the Logistics segment increased by 12% or \$6.3 million year-over-year. This increase is mainly due to the Cornerstone division which was part of the Contrans acquisition in November 2014. Excluding business acquisition, revenue increased by 4%, or \$2.3 million, attributable to both new and current customers and positive U.S. dollar appreciation.

For the year ended December 31, 2015, total revenue increased by 42% or \$74.0 million compared to the prior year period. Excluding business acquisition, revenue of the Logistics segment increased by 4%, or \$7.6 million. The U.S. dollar appreciation positively impacted year to date revenue by approximately \$4.1 million.

Operating expenses

For the quarter ended December 31, 2015, operating expenses increased 11% or \$5.3 million compared to the fourth quarter of 2014. Excluding the business acquisition, operating expenses increased 2% or \$1.2 million; this increase being mostly attributable to higher revenue. Excluding business acquisition, materials and services expenses represented 72.6% as a percentage of revenue before fuel surcharge, a reduction of 1.1% when compared to the same quarter of 2014. This resulted in an increase of the Logistics operating margin of 130 basis points year-over-year. The other margin improvements, from existing operations, came from the decreases in other operating expenses and depreciation of property and equipment as a result of the vacant property sold in Q2 2015.

For the year ended December 31, 2015, operating expenses increased 40% or \$63.0 million compared to the prior year period. Excluding business acquisition, operating expenses increased by 1% or \$0.9 million. Increases in materials and services expenses from existing operations, for 4% or \$5.1 million, were offset by a \$4.7 million gain on the sale of a building in Q2 2015.

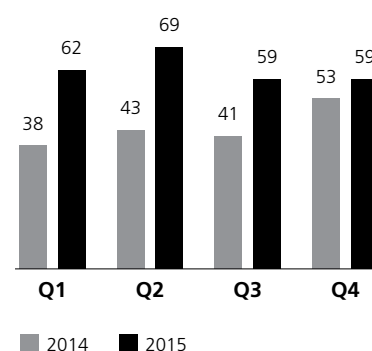
Operating income

The Company's operating income in the Logistics segment for the quarter ended December 31, 2015 increased 24% or \$1.0 million compared to the fourth quarter of 2014, to \$5.3 million. The increase is primarily attributable to improvements from existing operations. The Logistics operating margin increased 90 basis points year-over-year mainly from existing operations.

For the year ended December 31, 2015, Logistics' operating income increased \$11.0 million compared to the prior year period, to \$27.9 million. Excluding the business acquisition, operating income increased 40% or \$6.7 million mostly resulting from higher revenue and the \$4.7 million gain on disposition of a building in Q2 2015. The Logistics operating margin from existing operations increased 330 basis points to 12.9% when compared to previous year.

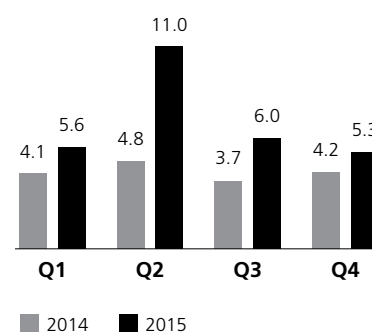
Revenue - Logistics

(in millions of \$)



Operating income - Logistics

(in millions of \$)



LIQUIDITY AND CAPITAL RESOURCES

Sources and uses of cash

(unaudited) (in thousands of dollars)	Fourth quarters ended December 31		Years ended December 31	
	2015	2014	2015	2014
Sources of cash:				
Net cash from continuing operations	136,787	97,320	358,845	228,532
Proceeds from sale of property and equipment	16,235	8,344	68,065	84,179
Proceeds from sale of assets held for sale	1,857	—	22,410	—
Increase in bank indebtedness	—	6,507	1,293	11,404
Net proceeds from long-term debt	—	410,878	—	579,371
Proceeds from exercise of stock options and warrants	372	554	2,137	23,187
Net cash from discontinued operations	24,838	18,127	77,990	66,820
Others	—	1,426	—	3,967
Total sources	180,089	543,156	530,740	997,460
Uses of cash:				
Purchases of property and equipment	27,190	25,952	155,875	69,269
Business combinations, net of cash acquired	7,621	479,917	44,764	814,218
Decrease in bank indebtedness	14,657	—	—	—
Net repayment of long-term debt	106,237	—	139,091	—
Dividends paid	16,663	14,426	68,555	56,561
Repurchase of own shares	7,671	22,861	121,753	57,412
Others	50	—	702	—
Total usage	180,089	543,156	530,740	997,460

Cash flow from continuing operations

For the year ended December 31, 2015, net cash from continuing operations increased 57% to \$358.8 million from \$228.5 million in 2014. The \$130.3 million increase is mainly attributable to business acquisitions and to net changes in non-cash operating working capital offset by higher interest and income taxes paid compared to 2014.

For the year ended December 31, 2015, the net change in non-cash operating working capital generated \$57.6 million while, last year, it generated \$2.6 million. The 2015 improvement is mainly attributable to the Company's receivables where the Company's DSO (day sales outstanding) decreased 2.3 days since December 2014.

Cash flow used in investing activities from continuing operations

Property and equipment

The following table presents the additions of property and equipment by category for the three-month periods and years ended December 31, 2015 and 2014.

(unaudited) (in thousands of dollars)	Fourth quarters ended December 31		Years ended December 31	
	2015	2014	2015	2014
Additions to property and equipment:				
Purchases as stated on cash flows statements	27,190	25,952	155,875	69,269
Additions that did not affect cash	1,927	—	1,927	—
	29,117	25,952	157,802	69,269
Additions by category:				
Land and buildings	1,267	1,988	7,482	5,820
Rolling stock	24,036	21,218	136,342	49,819
Equipment	3,814	2,746	13,978	13,630
	29,117	25,952	157,802	69,269

The Company invests in new equipment to maintain its quality of service while keeping maintenance costs low. Its capital expenditures reflect the level of reinvestment required to keep its equipment in good order as well as maintain an adequate allocation of its capital resources. In line with its asset light model, increasing the use of independent contractors to replace owned equipment is beneficial for the Company as it reduces capital needs to serve customers; the Company intends to further pursue such conversion.

In 2015, higher investments in rolling stock are attributable to business acquisitions, particularly the Transport America and Contrans acquisitions that took place in Q3 and Q4 of 2014, respectively.

The following table indicates the proceeds and gains or losses from sale of property and equipment and assets held for sale by category for the three-month periods and years ended December 31, 2015 and 2014.

(unaudited) (in thousands of dollars)	Fourth quarters ended December 31		Years ended December 31	
	2015	2014	2015	2014
Proceeds by category:				
Land and buildings	6,005	647	45,362	58,660
Rolling stock	12,075	7,647	44,680	25,395
Equipment	12	50	433	124
	18,092	8,344	90,475	84,179
Gains (losses) by category:				
Land and buildings	3,953	19	15,922	14,724
Rolling stock	2,470	1,652	11,553	4,808
Equipment	(9)	(83)	(14)	(398)
	6,414	1,588	27,461	19,134

For the year ended December 31, 2015, the Company disposed of properties for a total consideration of \$45.4 million (\$58.7 million in 2014), which generated a \$15.9 million gain (\$14.7 million in 2014).

Business acquisitions

For the year ended December 31, 2015, cash used in business acquisitions totalled \$44.8 million (2014 – \$814.2 million). In line with the Company's growth strategy and as mentioned in the "2015 significant business acquisitions" section above, effective on May 4, 2015, TransForce concluded the acquisition of Hazen Final Mile which, combined with Dynamex, establishes the premier final mile transportation service provider in the United States. On July 9, 2015, TransForce concluded the acquisition of All Canadian Courier to further grow its Package and Courier business. Established in 1989, ACC has earned a reputation for offering unique solutions to their customers' specific challenges. On December 1, 2015, TransForce completed the purchase of 75% of Optimal Freight. Optimal operates in the Logistics segment and is located in the United States.

Cash flow from discontinued operations

For the year ended December 31, 2015, the discontinued operations generated cash flow from its operations and from investing and financing activities for a total of \$78.0 million. Cash flow from operating activities, of \$66.1 million, is mostly attributable to the Waste Management segment as in the rig moving the cash generated by the working capital decrease offset the operating loss. Cash flow from investing activities, of \$12.7 million, is attributable to the disposal of the equipment in the rig moving services offset by Waste Management's purchase of property and equipment. The \$0.8 million payment in the financing activities is related to a long-term debt included in the Waste Management segment.

Free cash flow from continuing operations

(unaudited) (in thousands of dollars, except per share data)	Fourth quarters ended December 31		Years ended December 31	
	2015	2014	2015	2014
Net cash from continuing operations	136,787	97,320	358,845	228,532
Additions to property and equipment	(29,117)	(25,952)	(157,802)	(69,269)
Proceeds from sale of property and equipment	16,235	8,344	68,065	84,179
Proceeds from sale of assets held for sale	1,857	—	22,410	—
Free cash flow from continuing operations¹	125,762	79,712	291,518	243,442
Free cash flow from continuing operations per share¹	1.29	0.78	2.91	2.45

1 Please refer to the section "Non-IFRS financial measures".

The Company's objectives when managing its cash flow from operations are to ensure proper capital investment in order to provide stability and competitiveness to its operations, to ensure sufficient liquidity to pursue its growth strategy, and to undertake selective business acquisitions within a sound capital structure and a solid financial position.

TransForce generated a free cash flow from continuing operations of \$291.5 million in 2015 compared to \$243.4 million in 2014, which represented a significant increase of \$48.1 million or 20% from last year. This increase is mainly attributable to higher net cash from continuing operations for \$130.3 million. This was offset by higher additions of property and equipment for an amount of \$88.5 million compared to 2014 mainly due to last year's business acquisitions. On a per share basis, the free cash flow for the year ended December 31, 2015 totalled \$2.91, versus \$2.45 in 2014.

Based on the December 31, 2015 closing share price of \$23.61, the free cash flow from continuing operations generated by the Company in 2015 represented a yield of 12.3%.

Financial position

(unaudited) (in thousands of dollars)	As at December 31,	As at December 31,	As at December 31,
	2015	2014	2013
Total assets	3,377,870	3,438,589	2,064,602
Long-term debt	1,615,100	1,617,742	773,556
Shareholders' equity	1,027,372	1,029,413	790,817
Debt-to-equity ratio ¹	1.57	1.57	0.98
Debt-to-capital ratio ²	0.61	0.61	0.49

1 Long-term debt divided by shareholders' equity.

2 Long-term debt divided by the sum of shareholders' equity and long-term debt.

There were no significant changes in the Company's total assets and long-term debt compared to December 31, 2014. Although the long-term debt decreased by only \$2.6 million from last year, the Company made net payments amounting to \$139.1 million during the current year, which were offset by foreign currency movements that increased it by \$138.9 million. Following 2014 business acquisitions and particularly those of Transport America and Contrans, the debt-to-equity ratio and the debt-to-capital ratio weakened but still reflect appropriate debt level so that there are no financial constraints on the use of capital. Strict cash flow management and strong cash flow generated from operations allowed the Company to pursue debt reduction when the situation dictated such as the repayment of certain long-term debts with the net proceeds on the sale of the Waste Management segment in February 2016.

As at December 31, 2015, the Company's working capital (current assets less current liabilities) was negative \$249.9 million due to the \$560 million term loans due in 2016 that have since been repaid using the proceeds received from the sale of the Waste Management segment in February 2016. Furthermore, TransForce intends to use the remaining portion of the net proceeds for general corporate purposes, to support its program of strategic acquisitions and for its normal course issuer bid.

As at December 31, 2015, assets held for sale included rig moving equipment having a carrying amount of \$27.7 million and as a result of the disposition of its Waste segment, TransForce presented the segment's net assets, having a carrying value of \$219.4 million, under the caption Disposal group held for sale.

Contractual obligations

The following table indicates the Company's contractual obligations with their respective maturity dates at December 31, 2015, excluding future interest payments.

(unaudited) (in thousands of dollars)	Total	Less Than 1 year	1 to 3 years	3 to 5 years	After 5 years
Unsecured revolving facility – August 2017	802,758	—	802,758	—	—
Unsecured debentures – December 2020	125,000	—	—	125,000	—
Term loans – Fully repaid in February 2016	559,915	559,915	—	—	—
Finance lease obligations	38,438	15,327	18,795	4,316	—
Conditional sales contracts and other long-term debt	92,041	30,326	58,023	3,692	—
Operating leases (see commitments)	479,727	116,952	163,245	74,706	124,824
Other commitments – Waste Management (see commitments)	92,168	6,708	14,486	14,486	56,488
Total contractual obligations	2,190,047	729,228	1,057,307	222,200	181,312

Commitments related specifically to the Waste Management segment will be transferred to the purchasers as part of the disposal of the Waste Management segment.

As at December 31, 2015, the Company had \$32.6 million (December 31, 2014 - \$37.0 million) of outstanding letters of credit.

On December 18, 2015, the terms of the loan agreement of the unsecured debentures were amended to a loan carrying an interest rate between 3% and 3.45% depending on certain ratios and with a December 2020 maturity date. Prior to the amendment the interest rate was 6.85% and matured in November 2017. The debentures may be repaid, without penalty, after December 18, 2019, subject to the approval of the Company's syndicate of bank lenders.

The following table indicates the Company's financial covenants to be maintained under its credit facility. These covenants are measured on a consolidated rolling twelve-month basis:

Covenants	Requirements	As at December 31, 2015
Funded debt-to-EBITDA ratio [ratio of total debt plus letters of credit and some other long-term liabilities to earnings before interest, income tax, depreciation and amortization ("EBITDA"), including last twelve months adjusted EBITDA from business acquisitions]	< 3.50	3.20
EBITDAR-to-interest and rent ratio [ratio of EBITDAR (EBITDA before rent and including last twelve months adjusted EBITDAR from business acquisitions) to interest and net rent expenses]	> 1.75	3.15

The Company believes it will be in compliance with these covenants for the next twelve months.

Commitments, contingencies and off-balance sheet arrangements

The following table indicates the Company's commitments with their respective terms at December 31, 2015.

(unaudited) (in thousands of dollars)	Total	Less Than 1 year	1 to 3 years	3 to 5 years	After 5 years
Operating leases – rolling stock	109,897	44,000	59,031	6,849	17
Operating leases – real estate & others	369,830	72,952	104,214	67,857	124,807
Total operating leases	479,727	116,952	163,245	74,706	124,824
Other commitments – Waste Management	92,168	6,708	14,486	14,486	56,488
Total off-balance sheet obligations	571,895	123,660	177,731	89,192	181,312

Commitments related specifically to the Waste Management segment will be transferred to the purchasers as part of the disposal of the Waste Management segment.

Long-term real estate leases totalling \$369.8 million included five significant real estate commitments for an aggregate value of \$149.4 million, which expire between 2024 and 2035. A total of 315 properties constitute the remaining real estate operating leases.

Derivative financial instruments

The Company has entered into foreign exchange contracts and currency option instruments for the sale of U.S. dollars in exchange for Canadian dollars that expire in January 2016. As at December 31, 2015, these contracts' notional amount totalled US\$0.5 million (December 2014 - US\$17.1 million). As at December 31, 2015, the foreign exchange contract fair value was negative \$0.2 million (December 2014 – negative \$1.7 million).

The Company has entered into monthly cross currency interest rate swap contracts to reduce its interest costs on a portion of its credit facility denominated in Canadian dollars. As at December 31, 2015, the Company exchanged C\$290 million (December 2014 - C\$300 million) in debt and related banker's acceptance rate payments to US\$217.8 million (December 2014 - US\$258 million) and Libor rate interest payments. Under the terms of the swap contracts in effect as at December 31, 2015, the Company will repay the principal proceeds received of US\$217.8 million for C\$290 million and receive compensation for the related interest charge providing a net 25 basis point interest rate savings (December 2014 - 18 basis point) and no currency risks on the principal and related interest charges. As at December 31, 2015, the cross currency interest rate swap contracts' fair value was positive \$11.4 million (December 2014 – negative \$0.8 million).

The Company has also entered into interest rate swap contracts in order to mitigate the interest rate risk on a portion of its variable rate debt. As at December 31, 2015, the Company had interest rate swap contracts on the notional amount of US\$475.0 million of debt (December 2014 - US\$325.0 million), at an average rate of 1.58% (December 2014 – 1.33%), that expire at various dates through August 2022. This represents 48% of the Company's total variable rate long-term debt. As a result, the effective interest rate on the interest swap contracts is 3.73% at December 31, 2015 (December 2014 – 3.48%). As at that date, the fair value of the interest rate swap contracts was negative \$9.3 million (December 2014 - negative \$3.6 million).

Dividends and outstanding share data

Dividends

The Company declared \$16.6 million in dividends, or 17 cents per outstanding common share, in the fourth quarter of 2015. For the year ended December 31, 2015, dividends declared were \$67.8 million, or 68 cents. In 2014, dividends declared were \$60.4 million, or 60.5 cents.

NCIB on common shares

Pursuant to the renewal of the normal course issuer bid ("NCIB") which began on September 28, 2015 and will be expiring on September 27, 2016, the Company is authorized to repurchase for cancellation up to a maximum of 6,000,000 of its common shares under certain conditions. The Board of TransForce believes that, at appropriate times, repurchasing its shares through the NCIB represents a good use of TransForce's financial resources, as such action can protect and enhance shareholder value when opportunities or volatility arise.

For the year ended December 31, 2015, the Company repurchased 4,834,300 common shares (2014 - 2,307,000) at a price ranging from \$21.93 to \$27.92 (2014 - \$22.46 to \$29.00) for a total purchase price of \$121.8 million (2014 - 57.4 million).

Outstanding shares, stock options and restricted share units

A total of 97,632,502 common shares were outstanding as at December 31, 2015 (December 2014 - 102,323,968). There was no significant change in the Company's outstanding share capital between December 31, 2015 and February 11, 2016.

As at December 31, 2015, the number of outstanding options to acquire common shares issued under the Company's stock option plan was 4,933,922 (December 2014 - 4,193,113) of which 3,450,848 were exercisable (December 2014 - 2,841,653). On July 23, 2015, the Board of Directors approved the grant of 915,485 stock options under the Company's stock option plan. Each stock option entitles the holder to purchase one common share of the Company at an exercise price based on the closing price of the volume weighted average trading price of the Company's shares for the last five trading days immediately preceding the effective date of the grant.

As at December 31, 2015, the number of restricted share units ("RSUs") granted under the Company's equity incentive plan to the benefit of its senior employees was 224,033 (December 2014 - 82,730). On July 23, 2015, the Board of Directors approved the grant of 144,299 RSUs under the Company equity incentive plan. The RSUs will vest after 3 consecutive years of service from the grant date. Upon satisfaction of the required service period, the plan provides for settlement of the award through shares.

Legal proceedings

The Company is involved in litigation arising from the ordinary course of business primarily involving claims for bodily injury and property damage. It is not feasible to predict or determine the outcome of these or similar proceedings. However, the Company believes the ultimate recovery or liability, if any, resulting from such litigation individually or in total would not materially adversely affect the Company's financial condition or performance and, if necessary, have been provided for in the financial statements.

Subsequent events

On February 1, 2016, the Company sold the Waste Management segment to GFL Environmental Inc. for \$800 million, of which \$25 million was in the form of an unsecured promissory note bearing 3% per annum payable on February 1, 2020. The final working capital adjustment remains outstanding. The pre-tax gain will be approximately \$550 million.

The funds received from the sale of the Waste Management segment were used, in part, to repay the term loans due in February and November 2016.

OUTLOOK

In Canada, the Company's major market, low oil prices have continued to depress the economy while the effects of a weak currency have yet to provide a boost to the manufacturing sector. This persistent weakness is restraining organic growth in TransForce's main operating markets. In the U.S., higher consumer confidence and spending could lead to more business in the Package and Courier and TL segments, where TransForce's activities are focused. As these relatively challenging conditions limit organic growth over the short-term, key drivers for revenue and operating income growth remain further efficiency improvement, asset rationalization, tight cost controls, as well as the execution of a disciplined acquisition strategy in the fragmented North American transportation and logistics market.

In the Package and Courier and LTL segments, TransForce's priorities remain the consolidation of its operations, administration and IT platforms where more savings and efficiency gains can be achieved. As the Company believes that general conditions will remain relatively challenging as long as overcapacity continues to affect the industry, TransForce will remain proactive in implementing measures to further optimize asset utilization. In Package and Courier, this includes completing the optimization of businesses in U.S. same-day operations and capturing an increasing share of the e-commerce delivery business. In LTL, the lower value of the Canadian dollar provides opportunities for export-oriented manufacturers, but the Company must remain disciplined in adapting supply to demand. To this end, the Company will continue to focus on major cities and exit low density regions to enhance value. Finally, TransForce will seek to further leverage its enhanced density and capabilities in intermodal activities that generate higher returns due to their asset-light business model.

In the TL market, TransForce will focus on leveraging its enhanced density following strategic acquisitions completed in 2014, while remaining disciplined by carefully managing supply and optimizing the utilization of existing assets. The relatively healthier U.S. economy and weaker Canadian dollar should provide more favourable conditions to improve return on capital employed on both sides of the border. Success will also stem from continuous efforts to deploy leading-edge analytical tools across the Company's network that will allow its people to make appropriate business decisions. As the TL market is fragmented, TransForce aims to gain further size and density across North America by pursuing its selective business acquisition strategy.

As the Company continues to gradually adopt an asset-light business model, capital will be increasingly deployed in initiatives that provide a better return on capital employed and a solid cash flow. In so doing, TransForce aims to increasingly distinguish itself by providing innovative, value-added solutions to its growing North American customer base. In the short term, TransForce will use its cash flow to prioritize debt reimbursement and to proactively repurchase its common shares.

TransForce is well positioned to benefit significantly when the economy recovers more vigorously, and management is confident that the steps it has taken and has planned will continue to grow shareholder value. The Company aims to deliver on this commitment by adhering to its operating principles and by executing its strategy with the same discipline and rigour that have made TransForce a North American leader in the transportation and logistics industry.

SUMMARY OF EIGHT MOST RECENT QUARTERLY RESULTS

(unaudited)								
(in millions of dollars, except per share data)								
	Q4'15	Q3'15	Q2'15	Q1'15	Q4'14	Q3'14	Q2'14	Q1'14
Total revenue	1,026.8	1,009.7	1,029.9	963.6	986.2	893.8	811.6	703.5
EBITDA ¹	111.8	117.2	136.6	87.0	105.0	104.2	89.9	50.2
Adjusted net income from continuing operations ¹	42.9	48.6	66.6	27.5	43.3	50.2	42.7	19.7
Adjusted EPS from continuing operations - diluted ¹	0.43	0.48	0.65	0.26	0.41	0.50	0.42	0.20
Net income	43.6	41.6	64.1	14.0	43.2	41.5	37.3	5.9
EPS – basic	0.45	0.42	0.63	0.14	0.42	0.42	0.38	0.06
EPS – diluted	0.44	0.41	0.62	0.13	0.41	0.41	0.37	0.06
Net income from continuing operations	40.6	31.9	60.2	13.0	32.4	31.5	52.0	0.4
EPS from continuing operations – basic	0.42	0.32	0.59	0.13	0.32	0.32	0.53	0.00
EPS from continuing operations – diluted	0.41	0.32	0.58	0.12	0.31	0.31	0.52	0.00

1 Please refer to the section "Non-IFRS financial measures".

The differences between the quarters are mainly the results of business acquisitions.

NON-IFRS FINANCIAL MEASURES

Financial data have been prepared in conformity with IFRS. However, certain measures used in this discussion and analysis do not have any standardized meaning under IFRS and could be calculated differently by other companies. The Company believes that certain non-IFRS financial measures, when presented in conjunction with comparable IFRS financial measures, are useful to investors and other readers because that information is an appropriate measure for evaluating the Company's operating performance. Internally, the Company uses this non-IFRS financial information as an indicator of business performance. These measures should be considered in addition to, not as a substitute for or superior to, measures of financial performance prepared in accordance with IFRS.

To conform to industry standards, EBITDA has been modified to include gain or loss on sale of assets. When this measure excludes impairment of intangible assets in one of the presented periods, it is labelled adjusted EBITDA. Similarly, when the Company calculates the operating income before impairment of assets, adjusted operating income will be used.

Adjusted net income from continuing operations: Net income excluding amortization of intangible assets related to business acquisitions, net changes in the fair value of derivatives, net foreign exchange gain or loss, net income or loss from discontinued operations and of items that are not in the Company's normal business, net of tax. In presenting an adjusted net income from continuing operations and adjusted earnings per share from continuing operations, the Company's intent is to help provide an understanding of what would have been the net income and earnings per share in a context of significant business combinations and excluding specific impacts and to reflect earnings from a strictly operating perspective. The amortization of intangible assets related to business acquisitions comprises amortization expense of customer relationships, trademarks, non-compete agreements and permits accounted for in business combinations and the income tax effects related to this amortization. Management also believes, in excluding amortization of intangible assets related to business acquisitions, it provides more information on the amortization of intangible asset expense portion, net of tax, that will not have to be replaced to preserve the Company's ability to generate similar future cash flows. See reconciliation on page 14.

Adjusted earnings per share from continuing operations: Adjusted net income from continuing operations divided by the weighted average number of common shares outstanding.

EBITDA: Net income from continuing operations before finance income and costs, income tax expense, depreciation and amortization. Management believes EBITDA to be a useful supplemental measure. EBITDA is provided to assist in determining the ability of the Company to generate cash from its operations.

Operating income: Net income from continuing operations before finance income and costs and income tax expense as stated in the consolidated financial statements.

Operating margin and EBITDA margin are calculated as a percentage of revenue before fuel surcharge.

(unaudited) (in thousands of dollars)	Fourth quarters ended December 31		Years ended December 31	
	2015	2014	2015	2014
Net income from continuing operations	40,605	32,370	145,732	116,229
Net finance costs	8,938	17,620	75,705	64,216
Income tax expense	16,941	16,512	55,024	47,164
Operating income	66,484	66,502	276,461	227,609
Depreciation of property and equipment	32,854	28,038	129,096	86,035
Amortization of intangible assets	12,466	10,456	47,130	35,678
EBITDA	111,804	104,996	452,687	349,322

Adjusted EBITDA from discontinued operations: Net income before finance income and costs, income tax expense, depreciation, amortization and impairment.

EBITDA Waste Management segment

(unaudited)
(in thousands of dollars)

	Fourth quarters ended December 31		Years ended December 31	
	2015	2014	2015	2014
Net income	12,559	9,682	37,604	30,308
Net finance costs	270	349	1,994	1,688
Income tax expense	5,285	2,069	13,710	11,356
Operating income	18,114	12,100	53,308	43,352
Depreciation of property and equipment	6,420	4,853	23,351	16,456
Amortization of intangible assets	1,086	1,058	4,529	4,239
EBITDA	25,620	18,011	81,188	64,047

Adjusted EBITDA rig moving services

(unaudited)
(in thousands of dollars)

	Fourth quarters ended December 31		Years ended December 31	
	2015	2014	2015	2014
Net income (loss)	(9,518)	1,115	(19,899)	(18,619)
Net finance costs (income)	10	16	(194)	45
Income tax expense (recoverable)	(5,650)	174	(13,793)	(4,775)
Operating income (loss)	(15,158)	1,305	(33,886)	(23,349)
Impairment of intangible assets	—	—	—	27,839
Depreciation / impairment of property and equipment	7,275	3,027	14,705	10,466
Adjusted EBITDA	(7,883)	4,332	(19,181)	14,956

Free cash flow from continuing operations: Net cash from continuing operations less additions to property and equipment plus proceeds from sale of property and equipment and assets held for sale. Management believes that this measure provides a benchmark to evaluate the performance of the Company in regard to its ability to meet capital requirements.

Free cash flow from continuing operations per share: Free cash flow from continuing operations divided by the weighted average number of common shares outstanding.

Adjusted operating expenses: Operating expenses, as defined in the consolidated financial statements, excluding gain on sale of business.

(unaudited)
(in thousands of dollars)

	Fourth quarters ended December 31		Years ended December 31	
	2015	2014	2015	2014
Operating expenses	960,306	919,692	3,753,428	3,167,464
Excluding:				
Gain on sale of business	—	(277)	—	(1,403)
Adjusted operating expenses	960,306	919,969	3,753,428	3,168,867

Operating ratio: Adjusted operating expenses, net of fuel surcharge revenue, divided by revenue before fuel surcharge. Although the operating ratio is not a recognized financial measure defined by IFRS, it is a widely recognized measure in the transportation industry, which we believe provides a comparable benchmark for evaluating the Company's performance. Also, to facilitate the comparison of business level activity and operating costs between periods, the Company compares the revenue before fuel surcharge ("revenue") and reallocates the fuel surcharge revenue to materials and services expenses within operating expenses.

(unaudited)
(in thousands of dollars)

	Fourth quarters ended December 31		Years ended December 31	
	2015	2014	2015	2014
Adjusted operating expenses (net of fuel surcharge revenue)	872,248	792,847	3,354,402	2,716,732
Revenue before fuel surcharge	938,732	859,072	3,630,863	2,942,938
Operating ratio	92.9%	92.3%	92.4%	92.3%

RISKS AND UNCERTAINTIES

The following are major risk factors facing the Company.

Competition. Deregulation in the transport industry has increased the number of competitors, as well as competition with respect to pricing. Competition is strong within the Canadian market. In addition, the Company faces competition from other transporters in the United States.

The North American waste management industry is very competitive. The Company faces competition in the waste management industry from several large and well-capitalized competitors and a large number of local and regional competitors. Some of the Company's competitors have significantly larger waste management operations, significant financial resources and greater name recognition with respect to waste management than the Company or may be able or willing to provide or bid their services at a lower price than the Company. Because companies can enter the collection segment of the non-hazardous solid waste management industry with very little capital or technical expertise, there are a large number of regional and local collection companies in the industry. The Company faces competition from these businesses in the markets and regions it currently serves.

Regulation. Notwithstanding that the transportation industry is largely deregulated, carriers must obtain licenses issued by provincial transport boards in order to carry goods inter-provincially or to transport goods within any province. Licensing from United States regulatory authorities is also required for the transportation of goods between Canada and the United States. Any change in these regulations could have an adverse impact on the scope of the Company's activities.

The right to continue to hold applicable licenses and permits is generally subject to maintaining satisfactory compliance with regulatory and safety guidelines, policies and laws. Although the Company is committed to compliance with laws and safety, there is no assurance that it will be in full compliance with them at all times. Consequently, at some future time, the Company could be required to incur significant costs to maintain or improve its compliance record.

The waste management business is subject to legislation and governmental regulations that may restrict the Company's waste management operations or increase its costs of operations.

The Company's waste management equipment, facilities and operations are subject to extensive and changing federal, provincial and local laws and regulations relating to environmental protection, health, safety, land use, transportation and related matters. These include, among others, laws and regulations governing the use, treatment, transportation, storage and disposal of hazardous substances and other wastes and materials, air emissions and quality, waste water discharges and water quality, permissible or mandatory methods of processing waste, the remediation of contamination and, in general, the emission of pollutants into the environment. Environmental laws and regulations have been enforced more stringently in recent years because of greater public interest in protecting the environment. In addition, federal, state, provincial and local governments may change the rights they grant to, and the restrictions they impose on, waste management companies, and those changes could restrict the Company's waste management operations and growth.

The Company's compliance with regulatory requirements relating to waste management may be costly and, to so comply, the Company may be required to enhance, supplement or replace its waste management equipment and facilities. The Company may not be able to offset the cost of complying with these requirements. In addition, changes to environmental laws and regulations or a more stringent application or interpretation thereof may obligate the Company to spend amounts in addition to those currently accrued for such purposes.

The Company, through its subsidiary Services Matrec Inc., owns non-hazardous solid waste landfills located in the cities of Larouche, Chicoutimi and Granby, Québec and in Moose Creek, Ontario. Each of these sites is regulated and permitted by the relevant provincial ministry of the environment. The loss by the Company of any of these permits could have a material adverse effect on the Company's waste management business.

From time to time, provincial and local authorities enact laws or regulations imposing fees or other charges on waste disposed at landfills located in those provinces. If any significant fees are imposed and the Company is not able to recover these fees from its customers, its operations and profitability could be negatively affected.

Operating Environment. The Company is subject to changes in its general operating environment. The Company is exposed to the following elements affecting its operating environment: the cost of liability insurance, the market for used equipment, adverse weather conditions and accidents involving its transport equipment.

General Economic Conditions. Demand for freight transport is closely linked to the state of the overall economy. Consequently, a decline in general economic growth could adversely affect the Company's performance.

Interest Rate Fluctuations. Changes in interest rates may result in fluctuations in the Company's future cash flows related to variable-rate financial liabilities. For these items, cash flows could be impacted by changes in benchmark rates such as Bankers' Acceptance or London Interbank Offered Rate (Libor). In addition, the Company is exposed to gains and losses arising from changes in interest rates through its derivative financial instruments carried at fair value.

Currency Fluctuations. The Company's financial results are reported in Canadian dollars and a portion of its revenue and operating costs are realized in currencies other than Canadian dollars, primarily U.S. dollars. The results of operations are therefore affected by movements of this currency against the Canadian dollar. Significant fluctuations in relative currency values against the Canadian dollar could therefore have a significant impact on the Company's future profitability.

Price of Fuel. The Company is exposed to variations in the price of fuel. The Company is generally able to recover the majority of additional fuel costs and corresponding margins through Fuel surcharges to its customers. In a declining fuel price environment, there is a corresponding risk that the Company cannot increase its base revenues to protect the margins it was achieving on fuel costs. The Company strives to ensure that the fuel consumption of its fleet is as efficient as possible.

Insurance. The Company's operations are subject to risks inherent in the transportation and waste management sectors. The Company subscribes for insurance in amounts which it considers appropriate in the circumstances and having regard to industry norms. Like many players in the industry, the Company self-insures a significant portion of the claims exposure related to cargo loss, bodily injury, worker's compensation and property damages. The Company may become liable with respect to risks in respect of which are self-insured or cannot obtain insurance or for which it chooses not to obtain insurance as a result of high premiums or for damages which exceed the maximum coverage provided for in the insurance policies.

Collective Agreements. At the date hereof, the collective agreements between the Company and the vast majority of its unionized employees have been renewed. The Company cannot predict the effect which any new collective agreements or the failure to enter into such agreements upon the expiry of the current agreements may have on its operations.

Acquisitions and Integration Risks. Historically, acquisitions have been a part of the Company's growth strategy. Acquisitions involve numerous risks, including potential loss of customers, key employees, and service providers of the acquired company.

Environmental Matters. The Company uses storage tanks at certain of its transportation terminals. Canadian and United States laws and regulations generally impose potential liability on the present or former owners or occupants or custodians of properties on which contamination has occurred. Although the Company is not aware of any contamination which, if remediation or clean-up were required, would have a material adverse effect on the Company, certain facilities have been in operation for many years and over such time, the Company or the prior owners, operators or custodians of the properties may have generated and disposed of wastes which are or may be considered hazardous. There can be no assurance that the Company will not be required at some future date to incur significant costs to comply with environmental laws, or that its operations, business or assets will not be materially affected by current or future environmental laws.

The Company, its transportation operations and its properties are subject to extensive and frequently-changing federal, provincial, state, municipal and local environmental laws, regulations and requirements in both Canada and the United States relating to, among other things, air emissions, the management of contaminants, including hazardous substances and other materials (including the generation, handling, storage, transportation and disposal thereof), discharges and the remediation of environmental impacts (such as the contamination of soil and water, including ground water). A risk of environmental liabilities is inherent in transportation operations, historic activities associated with such operations and the ownership, management or control of real estate.

With respect to its waste management business, the Company may be subject to orders, fines, penalties or other legal actions relating to compliance with environmental laws and regulations, or to civil claims from parties alleging harm as a consequence of migrating contamination, odours, other releases in the environment or other environmental matters (including the acts or omissions of predecessor companies) for which the business may be responsible. The Company may also be subject to court challenges of its operating permits.

Environmental laws may authorize, among other things, federal, provincial, state and local environmental regulatory agencies to issue orders, bring administrative or judicial actions for violations of environmental laws and regulations or to revoke or deny the renewal of a permit. Potential penalties for such violations may include, among other things, civil and criminal monetary penalties, imprisonment, permit suspension or revocation, and injunctive relief. These agencies may also, among other things, revoke or deny renewal of the Company's operating permits, franchises or licenses for violations or alleged violations of environmental laws or regulations, and impose environmental assessment, removal of contamination, follow up or control procedures.

Environmental Contamination. The Company may have liability for environmental contamination associated with its current or formerly-owned or leased waste management facilities as well as third-party facilities. If the Company incurs liability under applicable federal, state, provincial or local laws and regulations and if it cannot identify other parties which it can compel to contribute to its expenses and who are financially able to do so, it could have a material adverse effect on the Company's financial condition and results of operations.

The Company could be subject to orders and other legal actions and procedures brought by governmental or private parties in connection with environmental contamination, emissions or discharges. Any substantial liabilities associated with environmental contamination or emissions of pollutants generally, whether to federal, state, provincial or local environmental authorities or other parties, could have a material adverse effect on the Company's financial condition and results of operations.

Key Personnel. The future success of the Company will be based in large part on the quality of its management and key personnel. The loss of key personnel could have a negative effect on the Company. There can be no assurance that the Company will be able to retain its current personnel or, in the event of their departure, to attract new personnel of equal quality.

Loan Default. The Company's current credit facilities and financing agreements impose certain covenant requirements. There is a risk that such loans may go into default if there is a breach in complying with such covenants and obligations which could result in the Company being unable to pay dividends to shareholders, and in lenders realizing on their security and causing the Company to lose some or all of its assets. As at December 31, 2015, the Company was in compliance with all of its debt covenants and obligations.

Credit Facilities. The Company's credit facilities and financing agreements mature on various dates. There can be no assurance that such credit facilities or financing agreements will be renewed or refinanced, or if renewed or refinanced, that the renewal or refinancing will occur on equally favourable terms to the Company. The Company's ability to pay dividends to shareholders may be adversely affected if the Company is not able to renew its credit facilities or arrange refinancing, or if such renewal or refinancing, as the case may be, occurs on terms materially less favourable to the Company than at present.

Credit Risks. The Company provides services to clients primarily in Canada and the United States. The concentration of credit risk to which the Company is exposed is limited due to the significant number of customers that make up its client base and their distribution across different geographic areas. Furthermore, no client accounted for more than 10% of the Company's total accounts receivable for the period ended on December 31, 2015.

Availability of Capital. The Company's future growth may be dependent on the Company's ability to fund a portion of its capital expenditures and working capital with the current credit facilities and financing agreement. The Company may be required to reduce dividends or sell additional shares in order to accommodate these items. There can be no assurance that sufficient capital will be available on acceptable terms to the Company for necessary or desirable capital expenditures or that the amount required will be the same as currently estimated.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about future events. These estimates and the underlying assumptions affect the reported amounts of assets and liabilities, the disclosures about contingent assets and liabilities, and the reported amounts of revenues and expenses. Such estimates include the valuation of accounts receivable, goodwill, intangible assets, identified assets and liabilities acquired in business combinations, other long-lived assets, income taxes, site restoration obligations and pension obligations. These estimates and assumptions are based on management's best estimates and judgments.

Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from these estimates. Changes in those estimates and assumptions are recognized in the period in which the estimates are revised.

CHANGES IN ACCOUNTING POLICIES

Adopted during the period

The following new standards, and amendments to standards and interpretations, are effective for the first time for interim periods beginning on or after January 1, 2015 and have been applied in preparing the consolidated financial statements:

Amendments to IAS 19, *Employee Benefits*

These new standards did not have a significant impact on the Company's consolidated financial statements.

To be adopted in future periods

The following new standards and amendments to standard are not yet effective for the year ended December 31, 2015, and have not been applied in preparing the consolidated financial statements:

IFRS 9, *Financial Instruments*

IFRS 15, *Revenue from Contracts with Customers*

Annual Improvements to IFRS (2012-2014 cycle)

Disclosure Initiative: Amendments to IAS 1

Further information can be found in note 3 of the December 31, 2015 consolidated financial statements.

CONTROLS AND PROCEDURES

In compliance with the provisions of Canadian Securities Administrators' Regulation 52-109, the Company has filed certificates signed by the President and Chief Executive Officer ("CEO") and by the Chief Financial Officer ("CFO") that, among other things, report on:

- their responsibility for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the Company; and
- the design and effectiveness of disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting.

Disclosure controls and procedures ("DC&P")

The CEO and the CFO have designed DC&P, or have caused them to be designed under their supervision, in order to provide reasonable assurance that:

- material information relating to the Company is made known to the CEO and the CFO by others, particularly during the period in which the annual filings are being prepared; and
- information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

As at December 31, 2015, an evaluation was carried out, under the supervision of the CEO and the CFO, of the design and operating effectiveness of the Company's DC&P. Based on this evaluation, the CEO and the CFO concluded that the Company's DC&P were appropriately designed and were operating effectively as at December 31, 2015.

Internal controls over financial reporting ("ICFR")

The CEO and the CFO have also designed ICFR, or have caused them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

As at December 31, 2015, an evaluation was carried out, under the supervision of the CEO and the CFO, of the design and operating effectiveness of the Company's ICFR. Based on this evaluation, the CEO and the CFO concluded that the ICFR were appropriately designed and were operating effectively as at December 31, 2015, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) on Internal Control – Integrated Framework (2013 framework).

Changes in internal controls over financial reporting

No changes were made to the Company's ICFR during the year ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

MANAGEMENT'S RESPONSIBILITY

The consolidated financial statements of TransForce Inc. and all information in this annual report are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in conformity with International Financial Reporting Standards. They include some amounts that are based on management's best estimates and judgement. Financial information included elsewhere in the annual report is consistent with that in the financial statements.

The management of TransForce Inc. has developed and maintains an internal accounting system and administrative controls in order to provide reasonable assurance that the financial transactions are properly recorded and carried out with the necessary approval, and that the consolidated financial statements are properly prepared and the assets properly safeguarded.

The Board of Directors carries out its responsibility for the financial statements in this annual report principally through its Audit Committee. The Audit Committee reviews the Company's annual consolidated financial statements and recommends their approval by the Board of Directors.

These financial statements have been audited by the independent auditors, KPMG LLP, whose report follows.



Alain Bédard, FCPA, FCA
Chairman of the Board,
President and Chief Executive Officer
February 11, 2016



To the Shareholders of TransForce Inc.

We have audited the accompanying consolidated financial statements of TransForce Inc., which comprise the consolidated statements of financial position as at December 31, 2015 and December 31, 2014, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, 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 International Financial Reporting Standards, 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 audits. We conducted our audits 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 audits 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 TransForce Inc. as at December 31, 2015 and December 31, 2014, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

February 11, 2016

Montréal, Canada

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

December 31, 2015 and 2014

(in thousands of Canadian dollars)

		As at December 31, 2015	As at December 31, 2014
	Note		
Assets			
Trade and other receivables	7	507,872	598,277
Inventoried supplies		7,073	9,853
Current taxes recoverable		14,976	—
Prepaid expenses		29,961	27,642
Derivative financial instruments	23	11,375	174
Assets held for sale	6	27,746	—
Disposal group held for sale	6	219,403	—
Current assets		818,406	635,946
Property and equipment	8	981,861	1,185,067
Intangible assets	9	1,562,500	1,597,695
Other assets	10	8,143	14,464
Deferred tax assets	15	6,960	5,070
Derivative financial instruments	23	—	347
Non-current assets		2,559,464	2,802,643
Total assets		3,377,870	3,438,589
Liabilities			
Bank indebtedness		19,112	22,288
Trade and other payables	11	427,731	440,677
Current taxes payable		13,630	1,917
Derivative financial instruments	23	3,063	3,340
Long-term debt	12	604,789	294,887
Current liabilities		1,068,325	763,109
Long-term debt	12	1,010,311	1,322,855
Employee benefits	13	13,761	13,647
Provisions	14	10,758	35,296
Derivative financial instruments	23	9,579	3,254
Deferred tax liabilities	15	234,823	271,015
Other financial liability		2,941	—
Non-current liabilities		1,282,173	1,646,067
Total liabilities		2,350,498	2,409,176
Equity			
Share capital	16	764,343	799,100
Contributed surplus	16,18	17,819	14,333
Accumulated other comprehensive income		46,542	28,649
Retained earnings		198,668	187,331
Equity attributable to owners of the Company		1,027,372	1,029,413
Operating leases, commitments, contingencies and letters of credit	24		
Subsequent events	26		
Total liabilities and equity		3,377,870	3,438,589

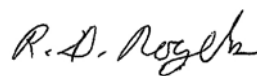
The notes on pages 39 to 86 are an integral part of these consolidated financial statements.

On behalf of the Board:



Alain Bédard

Director



Ronald D. Rogers

Director

Years ended December 31, 2015 and 2014

(In thousands of Canadian dollars, except per share amounts)

	Note	2015	2014*
Revenue		3,630,863	2,942,938
Fuel surcharge		399,026	452,135
		4,029,889	3,395,073
Materials and services expenses	19	2,385,971	2,060,189
Personnel expenses	19, 20	978,458	789,475
Other operating expenses	19	240,234	216,624
		3,604,663	3,066,288
Income before the following:		425,226	328,785
Depreciation of property and equipment	19	129,096	86,035
Amortization of intangible assets	19	47,130	35,678
Gain on sale of property and equipment	19	(23,565)	(19,134)
Gain on sale of assets held for sale	19	(3,896)	—
Gain on sale of business	19	—	(1,403)
Operating Income		276,461	227,609
Finance income	21	(1,894)	(6,769)
Finance costs	21	77,599	70,985
Net finance costs		75,705	64,216
Income before income tax		200,756	163,393
Income tax expense	22	55,024	47,164
Net income from continuing operations		145,732	116,229
Net income from discontinued operations	6	17,705	11,689
Net income for the year attributable to owners of the Company		163,437	127,918
Earnings per share attributable to owners of the Company			
Basic earnings per share	17	1.63	1.29
Diluted earnings per share	17	1.60	1.26
Earnings per share from continuing operations attributable to owners of the Company			
Basic earnings per share	17	1.45	1.17
Diluted earnings per share	17	1.43	1.15

(*) Restated (see note 6)

The notes on pages 39 to 86 are an integral part of these consolidated financial statements.

Years ended December 31, 2015 and 2014

(In thousands of Canadian dollars)

	Note	2015	2014
Net income for the year attributable to owners of the Company		163,437	127,918
Other comprehensive income			
Items that may be reclassified to income or loss in future years:			
Foreign currency translation differences		116,881	46,996
Net investment hedge, net of tax		(98,988)	(38,453)
Reclassification to income of accumulated			
unrealized gain on investment in equity securities, net of tax		—	(5,420)
Items that may never be reclassified to income or loss in future years:			
Defined benefit plan remeasurement losses, net of tax	13	(338)	(1,993)
Other comprehensive income, net of tax		17,555	1,130
Total comprehensive income for the year			
attributable to owners of the Company		180,992	129,048

The notes on pages 39 to 86 are an integral part of these consolidated financial statements.

Years ended December 31, 2015 and 2014

(In thousands of Canadian dollars)

	Note	Share capital	Contributed surplus	Equity component of convertible debentures	Accumulated foreign currency translation differences	Accumulated unrealized gain on investment in equity securities	Retained earnings	Total equity attributable to owners of the Company
Balance as at								
December 31, 2014		799,100	14,333	—	28,649	—	187,331	1,029,413
Net income for the year		—	—	—	—	—	163,437	163,437
Other comprehensive income (loss), net of tax		—	—	—	17,893	—	(338)	17,555
Total comprehensive income for the year		—	—	—	17,893	—	163,099	180,992
Share-based payment transactions	18	—	4,356	—	—	—	(15)	4,341
Stock options exercised	16, 18	2,767	(630)	—	—	—	—	2,137
Warrants exercised	16	240	(240)	—	—	—	—	—
Dividends to owners of the Company		—	—	—	—	—	(67,758)	(67,758)
Repurchase of own shares	16	(37,764)	—	—	—	—	(83,989)	(121,753)
Total transactions with owners, recorded directly in equity		(34,757)	3,486	—	—	—	(151,762)	(183,033)
Balance as at								
December 31, 2015		764,343	17,819	—	46,542	—	198,668	1,027,372
Balance as at								
December 31, 2013		577,993	17,233	7,767	20,106	5,420	162,298	790,817
Net income for the year		—	—	—	—	—	127,918	127,918
Other comprehensive income (loss) for the year, net of tax		—	—	—	8,543	(5,420)	(1,993)	1,130
Total comprehensive income (loss) for the year		—	—	—	8,543	(5,420)	125,925	129,048
Share-based payment transactions	18	—	4,006	—	—	—	—	4,006
Stock options exercised	16, 18	5,624	(1,296)	—	—	—	—	4,328
Warrants exercised	16	24,469	(5,610)	—	—	—	—	18,859
Conversion of convertible debentures		207,695	—	(7,516)	—	—	—	200,179
Dividends to owners of the Company		—	—	—	—	—	(60,412)	(60,412)
Repurchase of own shares	16	(16,681)	—	—	—	—	(40,731)	(57,412)
Total transactions with owners, recorded directly in equity		221,107	(2,900)	(7,516)	—	—	(101,143)	109,548
Repurchase of convertible debentures		—	—	(251)	—	—	251	—
Balance as at								
December 31, 2014		799,100	14,333	—	28,649	—	187,331	1,029,413

The notes on pages 39 to 86 are an integral part of these consolidated financial statements.

YEARS ENDED DECEMBER 31, 2015 AND 2014

(In thousands of Canadian dollars)

	Note	2015	2014*
Cash flows from (used in) operating activities			
Net income for the year attributable to owners of the Company		163,437	127,918
Net income from discontinued operations	6	17,705	11,689
Net income from continuing operations		145,732	116,229
Adjustments for			
Depreciation of property and equipment	8	129,096	86,035
Amortization of intangible assets	9	47,130	35,678
Share-based payment transactions	18	4,341	4,006
Net finance costs	21	75,705	64,216
Income tax expense	22	55,024	47,164
Gain on sale of property and equipment	19	(23,565)	(19,134)
Gain on sale of assets held for sale	19	(3,896)	—
Gain on sale of business		—	(1,403)
Employee benefits and provisions	13	194	(4,323)
		429,761	328,468
Net change in non-cash operating working capital		57,576	2,568
Cash generated from operating activities		487,337	331,036
Interest paid		(62,134)	(52,590)
Income tax paid		(60,791)	(49,075)
Net realized loss on derivatives		(5,567)	(839)
Net cash from continuing operations		358,845	228,532
Net cash from discontinued operations		66,079	76,462
		424,924	304,994
Cash flows from (used in) investing activities			
Purchases to property and equipment	8	(155,875)	(69,269)
Proceeds from sale of property and equipment		68,065	84,179
Proceeds from sale of assets held for sale		22,410	—
Purchases to intangible assets	9	(1,714)	(1,424)
Business combinations, net of cash acquired	5	(44,764)	(814,218)
Proceeds from sale of business		—	4,146
Others		1,012	1,245
Net cash used in investing activities from continuing operations		(110,866)	(795,341)
Net cash from (used in) investing activities from discontinued operations		12,711	(9,579)
		(98,155)	(804,920)
Cash flows from (used in) financing activities			
Increase in bank indebtedness		1,293	11,404
Proceeds from long-term debt		37,988	949,983
Repayment of long-term debt		(177,079)	(370,612)
Dividends paid		(68,555)	(56,561)
Repurchase of own shares		(121,753)	(57,412)
Proceeds from exercise of stock options		2,137	4,328
Proceeds from exercise of warrants	16	—	18,859
Net cash from (used in) financing activities from continuing operations		(325,969)	499,989
Net cash from (used in) financing activities from discontinued operations		(800)	(63)
		(326,769)	499,926
Net change in cash and cash equivalents		—	—
Cash and cash equivalents, beginning of period		—	—
Cash and cash equivalents, end of period		—	—

* Restated (See note 6)

The notes on pages 39 to 86 are an integral part of these consolidated financial statements.

YEARS ENDED DECEMBER 31, 2015 AND 2014

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.)

1. REPORTING ENTITY

TransForce Inc. (the "Company") is incorporated under the *Canada Business Corporations Act*, and is a company domiciled in Canada. The address of the Company's registered office is 8801 Trans-Canada Highway, Suite 500, Montreal, Quebec, H4S 1Z6.

The consolidated financial statements of the Company as at and for the years ended December 31, 2015 and 2014 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Group is involved in the provision of transportation and logistics services across Canada and the United States.

2. BASIS OF PREPARATION**a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These consolidated financial statements were authorized for issue by the Board of Directors on February 11, 2016.

b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- investment in equity securities, derivative financial instruments, forward purchase agreement and contingent considerations are measured at fair value;
- liabilities for cash-settled share-based payment arrangements are measured at fair value in accordance with IFRS 2;
- the defined benefit pension plan liability is recognized as the net total of the present value of the defined benefit obligation less the fair value of the plan assets; and
- assets and liabilities acquired in business combinations are measured at fair value at acquisition date.

c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars ("C\$" or "CDN\$"), which is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

d) Use of estimates and judgments

The preparation of the accompanying financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about future events. These estimates and the underlying assumptions affect the reported amounts of assets and liabilities, the disclosures about contingent assets and liabilities, and the reported amounts of revenues and expenses. Such estimates include the valuation of accounts receivable, goodwill, intangible assets, identified assets and liabilities acquired in business combinations, other long-lived assets, income taxes, site restoration obligations and pension obligations. These estimates and assumptions are based on management's best estimates and judgments.

Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from these estimates. Changes in those estimates and assumptions resulting from changes in the economic environment will be reflected in the financial statements of future periods.

YEARS ENDED DECEMBER 31, 2015 AND 2014

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.)

2. BASIS OF PREPARATION (CONTINUED)**d) Use of estimates and judgments (continued)**

Information about critical judgments, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 5 – Establishing the fair value of assets and liabilities, intangible assets and goodwill related to business combinations;

Note 9 – Determining estimates and assumptions related to impairment tests for long-lived assets and goodwill;

Note 6, 14 and 24 – Recognition and measurement of provisions and contingencies.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated. The accounting policies have been applied consistently by Group entities.

a) Basis of consolidation**i) Business combinations**

The Group measures goodwill as the fair value of the consideration transferred including the fair value of liabilities resulting from contingent consideration arrangements, less the net recognized amount of the identifiable assets acquired and liabilities assumed, all measured at fair value as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in income or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are aligned with the policies adopted by the Group.

iii) Forward purchase agreement

As part of a certain business combination, the Company has entered into a forward purchase agreement to purchase the non-controlling interest holders stake in the respective company. Under the forward purchase agreement, the Company will acquire the non-controlling interest in the future at a formulaic variable price based mainly on the earnings levels in future periods (the "exit price"). The agreement does not include a specified minimum amount for the forward purchase price.

When the forward granted to the non-controlling shareholders provides for settlement in cash or in another financial asset by the Company, the Company is required to recognize a liability for the present value of the exercise price of the forward.

In accounting for this transaction, the Company applies the anticipated acquisition method of accounting. Under this method of accounting, the forward purchase agreement is accounted for on the acquisition date as if the forward had already been exercised and satisfied by the non-controlling shareholders. As a result, the underlying interests are presented as already owned by the Company in the consolidated statements of financial position, the consolidated statements of income and the consolidated statements of comprehensive income, even though legally they are still considered non-controlling interest.

The forward purchase agreement is considered a financial liability and is initially recognized at the present value of the exercise price of the forward (recorded as other financial liability on the consolidated statements of financial position). The forward is re-measured to fair value at each reporting date and any subsequent changes are recognized in the consolidated statements of income as finance income or costs.

YEARS ENDED DECEMBER 31, 2015 AND 2014

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**a) Basis of consolidation (continued)****iv) Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b) Foreign currency translation**i) Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate in effect at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the rate in effect on the transaction date. Income and expense items denominated in foreign currency are translated at the date of the transactions. Gains and losses are included in income or loss.

ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on business combinations, are translated to Canadian dollars at exchange rates in effect at the reporting date. The income and expenses of foreign operations are translated to Canadian dollars at the average exchange rate in effect during the reporting period.

Foreign currency differences are recognized in other comprehensive income in the accumulated foreign currency translation differences account.

When a foreign operation is disposed of, the relevant amount in the cumulative amount of foreign currency translation differences is transferred to income or loss as part of the income or loss on disposal. On the partial disposal of a subsidiary while retaining control, the relevant proportion of such cumulative amount is reattributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to income or loss.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income in the accumulated foreign currency translation differences account.

c) Discontinued operations

A discontinued operation is a component of the Group's business; the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- Represents a separate major line of business or geographic area
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of income and comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

YEARS ENDED DECEMBER 31, 2015 AND 2014

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**d) Financial instruments****i) Non-derivative financial assets and liabilities**

The Group initially recognizes loans and receivables, investment in equity securities, debt issued, and subordinated liabilities on the date that they are originated. All other financial assets and liabilities (including assets designated at fair value through income or loss) are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

A financial liability is derecognized when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Group has classified non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, are recognized in other comprehensive income and presented in the fair value reserve in equity. When an available-for-sale financial asset is derecognized, the gain or loss accumulated in the fair value reserve is reclassified to income or loss. The Group's available-for-sale financial assets comprise only of quoted equity securities, which are included in other assets.

The Group has the following non-derivative financial liabilities: bank indebtedness, trade and other payables, other financial liability (forward purchase agreement liability) and long-term debt. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method, except for the other financial liability, which is re-measured to fair value at each reporting date.

ii) Share capital***Common shares***

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares, stock options and warrants are recognized as a deduction from equity, net of any tax effects.

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity.

YEARS ENDED DECEMBER 31, 2015 AND 2014

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**d) Financial instruments (continued)****iii) Compound financial instrument**

Compound financial instruments issued by the Group comprise convertible debentures that can be converted to common shares at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest related to the financial liability is recognized in income or loss. On conversion, the financial liability is reclassified to equity with no gain or loss recognized in income or loss.

iv) Derivative financial instruments

The Group uses derivative financial instruments to manage its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through income or loss.

Derivatives and embedded derivatives are recognized initially at fair value; related transaction costs are recognized in income or loss as incurred. Subsequent to initial recognition, derivatives and embedded derivatives are measured at fair value, and changes therein are recognized in net change in fair value of foreign exchange derivatives in income or loss with the exception of net change in fair value of cross currency interest rate swap contracts recognized in net foreign exchange gain or loss in income or loss.

e) Hedge accounting

Effective July 3, 2014, the Group designated a portion of its U.S. dollar ("US\$") denominated debt as a hedging item in a net investment hedge. The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the Company's functional currency (CDN\$), regardless of whether the net investment is held directly or through an intermediate parent.

Foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in foreign operations are recognized in other comprehensive income to the extent that the hedge is effective, and are presented in the currency translation differences account within equity. To the extent that the hedge is ineffective, such differences are recognized in profit or loss. When the hedged net investment is disposed of, the relevant amount in the translation reserve is transferred to profit or loss as part of the gain or loss on disposal.

f) Property and equipment

Property and equipment are accounted for at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset, the costs of dismantling and removing the assets and restoring the site on which they are located, and borrowing costs on qualifying assets.

YEARS ENDED DECEMBER 31, 2015 AND 2014

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**f) Property and equipment (continued)**

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized in net income or loss.

Depreciation is based on the cost of an asset less its residual value and is recognized in income or loss over the estimated useful life of each component of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The depreciation method and useful lives are as follows:

Categories	Basis	Useful lives
Buildings	Straight-line	15 – 40 years
Rolling stock	Primarily straight-line	3 – 20 years
Equipment	Primarily straight-line	5 – 10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property and equipment are reviewed for impairment in accordance with IAS 36 Impairment of Assets when there are indicators that the carrying value may not be recoverable.

g) Intangible assets**i) Goodwill**

Goodwill that arises upon business combinations is included in intangible assets.

Goodwill is not amortized and is measured at cost less accumulated impairment losses.

ii) Other intangible assets

Intangible assets consist of customer relationships, trademarks, non-compete agreements and permits, and information technology.

Other intangible assets that are acquired by the Group and have finite lives are measured at cost less accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives are amortized on a straight-line basis over the following estimated useful lives:

Categories	Useful lives
Customer relationships	5 – 15 years
Trademarks	5 – 20 years
Non-compete agreements and permits	3 – 40 years
Information technology	5 – 7 years

Useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate.

YEARS ENDED DECEMBER 31, 2015 AND 2014

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**h) Leased assets****i) Other than landfill leases**

Leases with terms which indicate that the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognized in the Group's statements of financial position.

ii) Landfill leases

From an operating perspective, leased landfills are similar to owned landfills because generally the Group owns the landfill's operating permit and will operate the landfill for the entire lease term, which in many cases is the life of the landfill. As a result, landfill leases are generally finance leases. The most significant portion of the rental obligations for landfill leases is contingent upon operating factors such as disposal volumes. For landfill capital leases that provide for minimum contractual rental obligations, the landfill asset is recorded at the present value of the minimum obligation and is amortized on a unit-of-production method over the shorter of the lease term or the life of the landfill.

i) Inventoried supplies

Inventoried supplies consist primarily of repair parts and fuel and are measured at the lower of cost and net realizable value.

j) Impairment**i) Financial assets**

A financial asset not carried at fair value through income or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in income or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through income or loss.

ii) Non-financial assets

The carrying amounts of the Group's non-financial assets other than inventoried supplies and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated on December 31 of each year.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the group of CGUs (usually a Group's operating segment), that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or group of assets.

YEARS ENDED DECEMBER 31, 2015 AND 2014

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**j) Impairment (continued)****ii) Non-financial assets (continued)**

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, if any, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Impairment losses and impairment reversals are recognized in income or loss.

k) Assets held for sale

Non-current assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognized in income or loss.

Once classified as held-for-sale, intangible assets and property and equipment are no longer amortized or depreciated.

l) Employee benefits**i) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in income or loss in the periods during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

ii) Defined benefit plans

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods discounting that amount and deducting the fair value of any plan assets. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group.

YEARS ENDED DECEMBER 31, 2015 AND 2014

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**l) Employee benefits (continued)****ii) Defined benefit plans (continued)**

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or income-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

iv) Share-based payment transactions

The grant date fair value of equity share-based payment awards granted to employees is recognized as a personnel expense, with a corresponding increase in contributed surplus, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service condition at the vesting date.

The fair value of the amount payable to board members in respect of deferred share unit ("DSU"), which are to be settled in cash, is recognized as an expense with a corresponding increase in liabilities. The liability is remeasured at each reporting date until settlement. Any changes in the fair value of the liability are recognized as finance income or costs in income or loss.

v) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be fully settled within 12 months of the end of the reporting period, then they are discounted.

m) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the unwinding of the discount is recognized as finance cost.

Site restoration

Site restoration obligations are recognized in the period in which the Group has a legal or constructive obligation to restore the environment or dismantle an asset. Site restoration obligations are measured based on management's best estimate of the expenditures that will be made to settle the obligation, in accordance with the general requirements for provisions. The associated costs are capitalized as part of the carrying value of the related asset and depreciated over its remaining useful life.

YEARS ENDED DECEMBER 31, 2015 AND 2014

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**n) Revenue recognition**

The Group's normal business operations consist of the provision of transportation and logistics services. All income relating to normal business operations is recognized as revenue based on the stage of completion of the service in the statements of comprehensive income. The stage of completion of the service is determined using the proportion of costs incurred to date compared to the estimated total costs of the service. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates. 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 Group.

o) Lease payments

Payments made under operating leases are recognized in income or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance cost is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

p) Finance income and finance costs

Finance income comprises interest income on funds invested, available-for-sale financial assets, dividend income, and bargain purchase gains on business acquisitions. Interest income is recognized as it accrues in income or loss, using the effective interest method.

Finance costs comprise interest expense on bank indebtedness and long-term debt, unwinding of the discount on provisions and impairment losses recognized on financial assets (other than trade receivables).

Fair value gains or losses on derivative financial instruments and on contingent considerations, and foreign currency gains and losses are reported on a net basis as either finance income or cost.

q) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in income or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**r) Earnings per share**

The Group presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the income or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held, if any. Diluted EPS is determined by adjusting the income or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise convertible debentures, warrants, and restricted share units and stock options granted to employees.

s) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's chief executive officer ("CEO") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters), head office expenses, income tax assets, liabilities and expenses, as well as long-term debt and interest expense thereon.

Sales between Group's segments are measured at the exchange amount. Transactions, other than sales, are measured at carrying value. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment, and intangible assets other than goodwill.

t) New standards and interpretations adopted during the year

The Group has adopted the following new standards and amendments to standards and interpretations, with a date of initial application of January 1, 2015 and have been applied in preparing these consolidated financial statements:

Amendments to IAS 19, *Employee Benefits*, introduce a relief (practical expedient) that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. When employee contributions are eligible for the practical expedient, the Group recognizes them as a reduction of the service cost in the period in which the related service is rendered. When the Group cannot apply the practical expedient, the amendments clarify how service-like contributions from employees or third parties should be included in determining net current service cost and the defined benefit obligation. Adoption of amendments to IAS 19 did not have a material impact on the Group's consolidated financial statements.

u) New standards and interpretations not yet adopted

The following new standards are not yet effective for the year ending December 31, 2015, and have not been applied in preparing these consolidated financial statements:

IFRS 9, Financial Instruments, which will replace IAS 39, *Financial Instruments: Recognition and Measurement*, and will become mandatorily effective for annual periods beginning on or after January 1, 2018. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight. The complete standard was issued in July 2014, and the Group does not intend to early adopt the standard in its consolidated financial statements. IFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2014), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities. It also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**u) New standards and interpretations not yet adopted (continued)**

IFRS 9 (2014) also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. Special transitional requirements have been set for the application of the new general hedging model. The Group intends to adopt IFRS (2014) in its consolidated financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

IFRS 15, Revenue from Contracts with Customers: On May 28, 2014 the IASB issued IFRS 15 Revenue from Contracts with Customers. The new standard is effective for annual periods beginning on or after January 1, 2018. The Group does not intend to early adopt the standard in its consolidated financial statements. IFRS 15 will replace IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. The Group intends to adopt IFRS 15 in its consolidated financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

Annual Improvements to IFRS (2012-2014 cycle): On September 25, 2014 the IASB issued narrow-scope amendments to a total of four standards as part of its annual improvements process. The amendments will apply for annual periods beginning on or after January 1, 2016. Each of the amendments has its own specific transition requirements. Amendments were made to clarify the following in their respective standards:

- Changes in method for disposal under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations;
- 'Continuing involvement' for servicing contracts and offsetting disclosures in condensed interim financial statements under IFRS 7 Financial Instruments: Disclosures;
- Discount rate in a regional market sharing the same currency under IAS 19 Employee Benefits;
- Disclosure of information 'elsewhere in the interim financial report' under IAS 34 Interim Financial Reporting;

The Group intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2016. The extent of the impact of adoption of the standard has not yet been determined.

Disclosure Initiative: Amendments to IAS 1: On December 18, 2014 the IASB issued amendments to IAS 1 Presentation of Financial Statements as part of its major initiative to improve presentation and disclosure in financial reports (the "Disclosure Initiative"). The amendments are effective for annual periods beginning on or after January 1, 2016. These amendments will not require any significant changes to current practice, but should facilitate improved financial statement disclosures. The Group intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2016. The extent of the impact of adoption of the standard has not yet been determined.

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4. SEGMENT REPORTING

The Group operates within the transportation and logistics industry in Canada and the United States in different reportable segments, as described below. Effective April 1, 2014, the composition of reportable segments has been modified to reflect the changes in the structure of the Group's internal organisation. The newly adopted presentation continues to show separately the operating segments that are managed independently as they require different technology and capital resources. In addition, current presentation reflects the nature of services for all of the operating segments whereas prior presentation for the Specialized Services – services to the energy sector operating segment was mainly based on the type of customer. Group's management believes that newly adopted presentation better enables users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

As a result of modifications to the composition of its operating segments on April 1st, 2014, the Group's goodwill allocated to its operating segments, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes, had to be reallocated based on the relative values of the cash-generating units affected by the modifications.

Following the reallocation of its goodwill, the Group performed a goodwill impairment test on the rig moving services operating segment and the results determined that the carrying value of the Group's rig moving services operating segment exceeded its recoverable amount, requiring the complete depreciation of this segment's goodwill in the amount of \$27.8 million.

When the Group changes the structure of its internal organization in a manner that causes the composition of its reportable segments to change, the corresponding information for the comparative period is recasted to conform to the new structure.

For each of the operating segments, the Group's CEO reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Package and Courier:	Pickup, transport and delivery of items across North America.
Less-Than-Truckload:	Pickup, consolidation, transport and delivery of smaller loads.
Truckload ^(a) :	Full loads carried directly from the customer to the destination using a closed van or specialized equipment to meet customer's specific needs. Includes expedited transportation, flatbed, container and dedicated services.
Logistics:	Logistics services.

^(a) The truckload segment represents the aggregation of the truckload and specialized truckload operating segments. These operating segments have similar cost structures and are evaluated using the same key performance indicators.

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4. SEGMENT REPORTING (CONTINUED)

Information regarding the results of each reportable segment is included below. Performance is measured based on segment income or loss before net finance income or costs and income tax ("operating income or loss"), as finance income or costs and income tax are not allocated to reportable segments. This measure is included in the internal management reports that are reviewed by the Group's CEO and refers to "Operating income" in the consolidated statements of income. Segment's operating income or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	Package and Courier	Less- Than- Truckload	Truckload	Logistics (*)	Corporate	Eliminations	Total
2015							
External revenue	1,341,082	864,799	1,579,173	244,835	—	—	4,029,889
Inter-segment revenue	6,741	18,109	35,018	9,401	—	(69,269)	—
Total revenue	1,347,823	882,908	1,614,191	254,236	—	(69,269)	4,029,889
Depreciation and amortization	33,844	31,468	105,456	3,521	1,937	—	176,226
Operating income (loss)	90,195	45,756	134,080	27,872	(21,442)	—	276,461
Intangible assets	468,810	219,381	777,541	94,420	2,348	—	1,562,500
Total assets	728,797	658,035	1,576,663	132,330	30,922	—	3,126,747
Total liabilities	168,979	145,896	308,707	23,165	1,695,167	—	2,341,914
Additions to property and equipment	17,667	21,667	113,539	2,063	2,866	—	157,802
2014*							
External revenue	1,297,069	902,471	1,022,230	173,303	—	—	3,395,073
Inter-segment revenue	6,699	8,339	40,161	9,077	—	(64,276)	—
Total revenue	1,303,768	910,810	1,062,391	182,380	—	(64,276)	3,395,073
Depreciation and amortization	35,369	33,121	48,606	3,164	1,453	—	121,713
Operating income (loss)	91,225	61,094	86,860	16,872	(28,442)	—	227,609
Intangible assets	412,661	225,479	747,199	89,990	2,474	—	1,477,803
Total assets	645,894	705,976	1,522,800	143,487	12,673	—	3,030,830
Total liabilities	150,490	157,625	273,688	35,836	1,694,193	—	2,311,832
Additions to property and equipment	21,876	11,740	34,499	234	920	—	69,269

(*) Restated (see note 6)

Geographical information

Revenue is attributed to geographical locations based on the origin of service's location. Segment assets are based on the geographical location of the assets.

	2015	2014*
Revenue		
Canada	2,531,718	2,332,387
United States	1,498,171	1,062,686
	4,029,889	3,395,073

(*) Restated (see note 6)

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4. SEGMENT REPORTING (CONTINUED)***Geographical information (continued)***

	2015	2014
Property and equipment and intangible assets		
Canada	1,755,198	2,075,320
United States	789,163	707,442
	2,544,361	2,782,762

5. BUSINESS COMBINATIONS**a) Business combinations**

In line with the Group's growth strategy, the Group acquired four businesses during 2015.

On May 4, 2015, the Group acquired Hazen Final Mile ("Hazen") for an aggregate consideration of \$26.4 million which was paid in cash. Hazen, a main provider in final mile transportation services, offers various dedicated delivery services in various industries such as retail, office supplies and more.

On July 9, 2015, the Group completed the acquisition of All Canadian Courier ("ACC") for an aggregate amount of \$9.5 million to further grow its Package and Courier segment. Established in 1989, ACC has earned a reputation for offering unique solutions to their customers' specific challenges with unparalleled service and advanced shipping, tracking and reporting technology systems.

On October 1, 2015, the Group acquired Vanroboys Trucking LTD ("Vanroboys") for a cash consideration of \$3.1 million. Vanroboys is engaged in the business of waste and other bulk materials hauling in the province of Ontario and in Michigan.

On December 1, 2015, the Group completed the purchase of 75% of Optimal Freight ("Optimal") for an aggregate amount of \$6.3 million in cash. Optimal operates in the logistics segment and is located in the United States. As part of the acquisition, the Group entered into a forward purchase agreement with the non-controlling interest holder for the purchase of its 25% stake in Optimal for a variable price based on earnings levels in the future periods. The forward purchase agreement can be exercised anytime during 2018 to 2020.

The following table provides the revenue and net income contributions of the above 2015 business combinations from their respective date of acquisition and as if these acquisitions had occurred on January 1, 2015, per management's best estimates. In determining these estimated amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2015.

2015 business combination contributions

Business (acquisition date)	From acquisition date		Estimated - if acquired on January 1, 2015	
	Revenue	Net income	Revenue	Net income
Hazen (May 4)	38,121	54	57,000	80
ACC (July 9)	12,673	554	25,000	1,090
Vanroboys (October 1)	1,085	28	6,000	200
Optimal (December 1)	1,103	27	20,000	490

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5. BUSINESS COMBINATIONS (CONTINUED)**a) Business combinations (continued)**

As of the reporting date, the Group had not completed the purchase price allocation over the identifiable net assets and goodwill of ACC, Hazen and Optimal. Information to confirm fair value of certain assets and liabilities is still to be obtained for these acquisitions. As the Group obtains more information, the allocation will be completed. The table below presents the purchase price allocation based on the best information available to the Group to date.

Identifiable assets acquired and liabilities assumed

	Note	Hazen	ACC	Optimal	Vanroboys	2015	2014
Cash and cash equivalents		—	469	58	—	527	39,847
Trade and other receivables		222	3,550	1,792	26	5,590	188,248
Inventoried supplies and prepaid expenses		199	212	13	—	424	15,004
Property and equipment	8	913	325	60	2,444	3,742	538,773
Intangible assets	9	11,402	4,649	1,873	630	18,554	292,699
Other assets		—	—	2	—	2	—
Trade and other payables		(450)	(2,432)	(1,111)	—	(3,993)	(128,622)
Income tax payable		—	(1,187)	—	—	(1,187)	—
Long-term debt		—	(194)	—	—	(194)	(377,345)
Deferred tax liabilities		—	(477)	—	—	(477)	(151,901)
Total identifiable net assets		12,286	4,915	2,687	3,100	22,988	416,703
Total consideration transferred		26,396	9,532	9,105	3,100	48,133	900,792
Goodwill	9	14,110	4,617	6,418	—	25,145	484,089
Cash		26,396	9,532	6,263	3,100	45,291	878,128
Forward purchase agreement liability		—	—	2,842	—	2,842	—
Investment in equity securities of Vitran already owned		—	—	—	—	—	22,664
Total consideration transferred		26,396	9,532	9,105	3,100	48,133	900,792

Of the goodwill and intangible assets acquired through business combinations in 2015, \$27.7 million is deductible for tax purposes (2014 - \$26.5 million).

No significant transaction costs have been expensed in relation to the above mentioned acquisitions.

During 2014, the Group acquired six businesses, four of which were considered significant.

On January 1, 2014, the Group acquired all of the issued and outstanding shares of Clarke Transport Inc. and of Clarke Road Transport Inc. (together referred to as "Clarke"), two subsidiaries of Clarke Inc., for an aggregate consideration of \$58.4 million which was paid in cash. Clarke Transport Inc., a fully integrated provider of LTL intermodal transportation services, operates a network of 15 terminals across Canada. Clarke Road Inc. offers regular and specialized TL transportation services.

On March 26, 2014, the Group completed the acquisition of 100% of Vitran Corporation Inc. ("Vitran"), a fully integrated provider of LTL intermodal transportation services, by acquiring the remaining 81% of Vitran previously not owned by the Group for consideration of US \$6.50 in cash per share. The pre-tax unrealized gain on previously owned shares of Vitran totalling \$6.2 million was reclassified from other comprehensive income and is presented in finance costs in the consolidated statements of comprehensive income.

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5. BUSINESS COMBINATIONS (CONTINUED)**a) Business combinations (continued)**

On July 3, 2014, the Group completed the acquisition of the entire share capital of Transport Corporation of America Inc. ("Transport America") for an aggregate consideration of \$164.2 million which was paid in cash. Transport America provides an integrated offering of dry-van TL transportation services across the United States. It offers a wide array of short and long haul freight carriage, expedited and dedicated shipping services, as well as international and intermodal services through various partners.

On November 14, 2014, the Group acquired control of Contrans Group Inc. ("Contrans") through the purchase of 84% of its shares (the remaining 16% was acquired during the remainder of 2014) for \$14.60 per share for an aggregate consideration of \$514.9 million which was paid in cash. The largest specialized truckload company in Canada, Contrans will strengthen TransForce's market position in North America. The transaction was financed with \$550 million of new credit facilities.

b) Goodwill

The goodwill is attributable mainly to the premium of an established business operation with a good reputation in the transportation industry, and the synergies expected to be achieved from integrating the acquired entity into the Group's existing business.

The goodwill arising in the above business combinations has been allocated to operating segments as indicated in the table below, which represents the lowest level at which goodwill is monitored internally.

Operating segment	Reportable segment	2015	2014
Package and Courier	Package and Courier	18,727	12,783
Less-Than-Truckload	Less-Than-Truckload	—	66,361
Truckload	Truckload	—	141,806
Specialized Truckload	Truckload	—	260,663
Logistics	Logistics	6,418	2,476
		25,145	484,089

c) Adjustment to the provisional amounts of prior period business combinations

The 2014 annual consolidated financial statements included details of the Group's business combinations and set out provisional fair values relating to the consideration and net assets acquired of Transport America and Contrans. These acquisitions were accounted for under the provisions of IFRS 3.

As required by IFRS 3, the provisional fair values have been reassessed in light of information obtained during the measurement period following the acquisition. Consequently, the fair value of certain assets acquired and liabilities assumed of Contrans have been adjusted in 2015. As a result, the intangibles have been increased by \$7.4 million and deferred tax liability increased by \$0.3 million while income tax payable included in the trade and other payables has been decreased by \$0.4 million and goodwill decreased by \$7.5 million. No adjustment was required to the provisions for Transport America.

6. DISCONTINUED OPERATIONS

On September 30, 2015, the Company decided to cease operations in the rig moving operating segment and accordingly has classified all of the assets as held for sale.

On October 29, 2015, the Company commenced the process of selling the Waste Management segment ("waste") to GFL Environmental Inc. ("GFL") for total consideration of \$800 million, subject to customary closing adjustments, which includes an unsecured promissory note of \$25 million yielding 3% interest with a term of 4 years. The waste operations were transferred to GFL on February 1, 2016 and therefore a full year of operations was included in the Company's financial results for 2015.

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6. DISCONTINUED OPERATIONS (CONTINUED)

The following table presents the net income (loss) from discontinued operations for the years ended December 31:

	2015			2014		
	Rig Moving	Waste	Total	Rig Moving	Waste	Total
Revenue	44,098	210,331	254,429	128,351	191,245	319,596
Expenses	77,790	159,017	236,807	151,745	149,581	301,326
Income (loss) before income tax	(33,692)	51,314	17,622	(23,394)	41,664	18,270
Income tax (recovery) expense	(13,793)	13,710	(83)	(4,775)	11,356	6,581
Net income (loss) from discontinued operations ⁽¹⁾	(19,899)	37,604	17,705	(18,619)	30,308	11,689
Earnings per share from discontinued operations						
Basic earnings (loss) per share	(0.20)	0.38	0.18	(0.19)	0.31	0.12
Diluted earnings (loss) per share	(0.20)	0.37	0.17	(0.18)	0.30	0.12
Additional information:						
Depreciation of property and equipment	14,705	23,351	38,056	10,466	16,456	26,922

⁽¹⁾ The net income (loss) from discontinued operations are fully attributable to the owners of the company.

The assets and liabilities of the discontinued operations were as follows:

	Rig Moving	Waste	2015 ⁽¹⁾	2014
Current assets	29,184	37,898	67,082	67,972
Non-current assets	—	266,443	266,443	339,787
Current liabilities	(6,048)	(28,577)	(34,625)	(39,195)
Non-current liabilities	—	(56,361)	(56,361)	(58,149)

⁽¹⁾ The assets and liabilities of discontinued operations have been mainly classified as assets held for sale or disposal group held for sale in 2015.**Site Restoration obligations**

Site restoration obligations are part of the disposal group held for sale. They are recognized at fair value and include costs associated with the Group's landfill operations in its waste management service operating segment:

Total undiscounted amount of the estimated cash flows	58,699
Discount rate	2.94% to 4.38%
Inflation rate	2%

The estimate of the total liability for future site restoration obligations is subject to change, based on amendments to laws and regulations and as new information concerning the Group's operations becomes available. Future changes, if any, to the estimated total liability as a result of amended requirements, laws, regulations and operating assumptions may be significant and would be recognized prospectively as a change in estimate, when applicable.

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7. TRADE AND OTHER RECEIVABLES

	2015	2014
Trade receivables	484,556	573,034
Other receivables	23,316	25,243
	507,872	598,277

The Group's exposure to credit and currency risks related to trade and other receivables is disclosed in note 23.

8. PROPERTY AND EQUIPMENT

	Land and buildings	Rolling stock	Equipment	Total
Cost				
Balance at December 31, 2013	376,362	661,563	187,056	1,224,981
Additions through business combinations	183,898	343,907	10,968	538,773
Other additions	10,479	59,139	33,455	103,073
Disposals	(45,997)	(56,767)	(6,206)	(108,970)
Reclassification to assets held for sale	—	(9,962)	—	(9,962)
Effect of movements in exchange rates	2,190	25,554	1,422	29,166
Balance at December 31, 2014	526,932	1,023,434	226,695	1,777,061
Additions through business combinations	85	3,166	493	3,744
Other additions	7,874	153,872	21,763	183,509
Disposals	(21,584)	(154,586)	(10,513)	(186,683)
Reclassification to assets held for sale	(28,882)	(80,890)	—	(109,772)
Reclassification to disposal group held for sale	(65,024)	(85,515)	(92,307)	(242,846)
Effect of movements in exchange rates	5,192	49,181	3,351	57,724
Balance at December 31, 2015	424,593	908,662	149,482	1,482,737
Depreciation				
Balance at December 31, 2013	65,974	357,654	98,933	522,561
Depreciation for the year	11,034	79,408	22,515	112,957
Disposals	(2,061)	(31,745)	(5,386)	(39,192)
Reclassification to assets held for sale	—	(9,783)	—	(9,783)
Effect of movements in exchange rates	454	4,270	727	5,451
Balance at December 31, 2014	75,401	399,804	116,789	591,994
Depreciation for the year	13,182	123,623	30,347	167,152
Disposals	(6,865)	(102,608)	(8,652)	(118,125)
Reclassification to assets held for sale	(4,328)	(43,260)	—	(47,588)
Reclassification to disposal group held for sale	(10,780)	(42,327)	(48,890)	(101,997)
Effect of movements in exchange rates	1,010	6,475	1,955	9,440
Balance at December 31, 2015	67,620	341,707	91,549	500,876
Net carrying amounts				
At December 31, 2014	451,531	623,630	109,906	1,185,067
At December 31, 2015	356,973	566,955	57,933	981,861

During 2015 an impairment of \$6.2 million was recognized on assets belonging to the rig moving segment (nil - 2014).

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8. PROPERTY AND EQUIPMENT (CONTINUED)**Leased assets**

The Group leases items of rolling stock and equipment under a number of finance lease agreements. For the majority of these leases, the Group is responsible for the residual value on termination date. The leased assets secure lease obligations (see note 12). At December 31, 2015, the net carrying amount of leased assets was \$50.8 million (2014 - \$71.4 million). During the year ended December 31, 2015, the Group acquired leased assets in the amount of \$1.9 million (2014 – nil) under finance lease agreements and all other new leased assets come from business acquisitions.

Security

At December 31, 2015, certain rolling stock are pledged as security for conditional sales contracts, with a carrying amount of \$83.3 million (2014 - \$84.8 million) (see note 12).

9. INTANGIBLE ASSETS

Net carrying amounts	Other intangible assets					Total
	Goodwill	Customer relationships	Trademarks	Non-compete agreements and permits	Information technology	
Balance at December 31, 2013	613,077	99,058	25,606	99,062	13,908	850,711
Additions through business combinations	484,089	255,219	34,999	1,682	799	776,788
Other additions	—	—	—	—	1,438	1,438
Disposition on sale of business	(934)	—	—	—	(39)	(973)
Amortization	—	(27,176)	(4,069)	(4,199)	(4,473)	(39,917)
Impairment	(27,839)	—	—	—	—	(27,839)
Effect of movements in exchange rates	25,106	9,385	2,594	14	388	37,487
Balance at December 31, 2014	1,093,499	336,486	59,130	96,559	12,021	1,597,695
Additions through business combinations	17,593	22,365	1,641	1,804	144	43,547
Other additions	—	1,214	—	—	1,343	2,557
Amortization	—	(36,535)	(6,095)	(4,300)	(4,730)	(51,660)
Reclassified to disposal group held for sale	(22,369)	(1,353)	—	(92,439)	(45)	(116,206)
Effect of movements in exchange rates	58,588	22,591	4,539	163	686	86,567
Balance at December 31, 2015	1,147,311	344,768	59,215	1,787	9,419	1,562,500

As at December 31, 2015, the cost of other intangible assets is \$551.1 million (2014 – \$608.5 million) and the accumulated amortization is \$135.9 million (2014 – \$104.3 million). In 2015, an amount of \$4.5 million of amortization is related to the waste management segment (2014 – \$4.2 million) and an impairment charge of \$27.8 million related to the rig moving segment in 2014.

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9. INTANGIBLE ASSETS (CONTINUED)**Goodwill impairment test**

For the purpose of impairment testing, goodwill is allocated to the Group's operating segments which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

<i>Reportable segment / operating segment</i>	2015	2014
Package and Courier	372,561	328,730
Less-Than-Truckload	138,305	135,805
Truckload		
Truckload	223,376	196,737
Specialized Truckload	370,878	371,903
Waste Management ⁽¹⁾	—	22,369
Logistics	42,191	37,955
	1,147,311	1,093,499

⁽¹⁾ The goodwill of \$22,369 in the Waste Management segment is included in the disposal group held for sale in 2015.

The Group performed its goodwill impairment tests as at December 31, 2015 and 2014. The results determined that the recoverable amounts of the Group's operating segments exceeded their respective carrying amounts.

The recoverable amounts of the Group's operating segments were determined using the value in use. The value in use methodology is based on discounted future cash flows. Management believes that the discounted future cash flows method is valuable as it allows more precise valuation of specific future cash flows.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rates as follows:

<i>Reportable segment / operating segment</i>	2015	2014
Package and Courier	9.0%	10.0%
Less-Than-Truckload	7.2%	7.0%
Truckload		
Truckload	10.3%	10.8%
Specialized Truckload	9.9%	10.9%
Waste Management ^(a)	—	9.3%
Logistics	9.9%	10.3%

^(a) The Waste Management segment is classified as a discontinued operation. See note 6.

The discount rates were estimated based on past experience, and industry average weighted average cost of capital, which were based on a possible range of debt leveraging of 50.0% (2014 – 50.0%) at a market interest rate of 6.6% (2014 – 7.1%)

First year cash flows were projected based on past experience actual operating results and reflect current economic conditions. For a further 4-year period, cash flows were extrapolated using an average growth rate of 2.0% (2014 – 2.0%) in revenues and margins were adjusted where deemed appropriate for each operating segment. The terminal value growth rate was 2.0% (2014 – 2.0%) for each operating segment. The values assigned to the key assumptions represent management's assessment of future trends in the transportation industry and was based on both external and internal sources (historical data).

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10. OTHER ASSETS

	2015	2014
Restricted cash	4,300	7,702
Security deposits	3,820	6,001
Others	23	761
	8,143	14,464

Restricted cash consists of cash held as potential claims collateral pursuant to re-insurance agreements under the Group's insurance program.

11. TRADE AND OTHER PAYABLES

	2015	2014
Trade payables and accrued expenses	316,426	327,705
Personnel accrued expenses	94,707	95,577
Dividend payable	16,598	17,395
	427,731	440,677

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 23.

12. LONG-TERM DEBT

This note provides information about the contractual terms of the Group's interest-bearing long-term debt, which are measured at amortized cost. For more information about the Group's exposure to interest rate, foreign exchange currency and liquidity, see note 23.

	2015	2014
Non-current liabilities		
Revolving facility	801,152	787,150
Unsecured debentures	124,334	124,636
Conditional sales contracts	34,985	31,801
Finance lease liabilities	23,111	35,252
Other long-term debt	26,729	46,493
Term loan	—	297,523
	1,010,311	1,322,855
Current liabilities		
Current portion of conditional sales contracts	24,543	26,249
Current portion of finance lease liabilities	15,327	15,945
Current portion of other long-term debt	5,784	3,271
Current portion of the term loan	559,135	249,422
	604,789	294,887

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12. LONG-TERM DEBT (CONTINUED)*Terms and conditions of outstanding long-term debt were as follows:*

					2015		2014	
		Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
Term Loan	a	C\$	BA + 2.15%	2016	300,000	299,220	300,000	298,649
Term Loan	a	US\$	Libor + 2.15%	2016	187,800	259,915	215,000	248,296
Revolving facility	a	C\$	BA + 2.15%	2017	75,519	75,519	29,788	29,788
Revolving facility	a	US\$	Libor + 2.15%	2017	525,461	725,633	654,909	757,362
Unsecured debentures (refinanced)	b	C\$	3.45%	2020	125,000	124,334	—	—
Unsecured debentures	b	C\$	6.85%	2017	—	—	125,000	124,636
Conditional sales contracts	c	Mainly C\$	2.12% - 6.29%	2016-2019	59,528	59,528	58,050	58,050
Finance lease liabilities	d	Mainly C\$	1.57% - 8.00%	2016-2020	38,438	38,438	51,197	51,197
Other long-term debt		C\$	3.60% - 4.75%	2016-2018	32,513	32,513	49,764	49,764
					1,615,100		1,617,742	

a) Credit facility

On June 18, 2014, the Group amended and extended its existing revolving facility to August 2017. The facility is unsecured and can be extended annually. The total available amount under the revolving facility was increased by \$245 million to \$1,045 million. The agreement still provides, under certain conditions, additional \$250 million of credit availability (C\$245 million and US\$5 million). Based on certain ratios, the interest rate will vary between banker's acceptance rate (or Libor rate on US\$ denominated debt) plus applicable margin, which can vary between 125 basis points and 275 basis points. As of December 31, 2015, the credit facility's interest rate on CAD denominated debt was 3.0% and on US\$ denominated debt was 2.5%. The Group is subject to certain covenants regarding the maintenance of financial ratios and was in compliance with these covenants at year-end (see note 23 (f)).

On September 17, 2014, the Group entered into an agreement with its bank syndicate for a new \$550 million unsecured acquisition credit facility (term loan). Subsequent to the reception of the term loan currency swaps were obtained to convert a portion of each term loan from CAD to US\$. The swaps are renewed monthly and the US\$ portion fluctuates subject to changes in the exchange rates. As at December 31, 2015 the \$250 million term loan that matures in February 2016 subsequent to an extension in 2015 (originally due November 2015) consists of \$150 million CAD and \$75.1 million US\$ (2014 - \$150 million CAD and \$86 million US\$) and the \$300 million term loan that matures in November 2016 consists of \$150 million CAD and \$112.7 million US\$ (2014 - \$150 million CAD and \$129 million US\$). The terms and conditions are similar to the current credit facility.

As at February 11th, 2016 the entire term loan has been repaid with the proceeds received from the sale of the Waste Management segment.

b) Unsecured debentures

On December 18, 2015, the terms of the loan agreement were amended to an unsecured debenture carrying an interest rate between 3% and 3.45% depending on certain ratios and with a December 2020 maturity date. Prior to the amendment the interest rate was 6.85% and matured in November 2017. The debentures may be repaid, without penalty, after December 18, 2019, subject to the approval of the Group's syndicate of bank lenders.

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12. LONG-TERM DEBT (CONTINUED)**c) Conditional sales contracts**

Conditional sales contracts are secured by rolling stock having a carrying value of \$83.3 million (2014 - \$84.8 million) (see note 8).

d) Finance lease liabilities

Finance lease liabilities are secured by rolling stock having a carrying value of \$ 50.8 million (2014 - \$71.4 million) (see note 8). Finance lease liabilities are payable as follows:

	Less than 1 year	1 to 5 years	More than 5 years	Total
Future minimum lease payments	16,757	24,274	—	41,031
Interest	(1,430)	(1,163)	—	(2,593)
Present value of minimum lease payments	15,327	23,111	—	38,438

e) Principal instalments of other long-term debt components payable during the subsequent years are as follows:

	Less than 1 year	1 to 5 years	More than 5 years	Total
Term Loan	559,915	—	—	559,915
Revolving facility	—	802,758	—	802,758
Unsecured debentures	—	125,000	—	125,000
Conditional sales contracts	24,543	34,985	—	59,528
Other long-term debt	5,784	26,729	—	32,513
	590,242	989,472	—	1,579,714

13. EMPLOYEE BENEFITS

The Group sponsors defined benefit pension plans for 314 of its employees (2014 – 321).

These plans are all within Canada and includes one unregistered plan. All the defined benefit plans are no longer offered to employees and two defined benefits plan in the past have already been converted prospectively to defined contribution plans. Therefore, the future obligation will only vary by actuarial re-measurements.

With the exception of one plan, all other plans do not have recurring contributions for employees. These plans are still required to fund past service costs. The remaining plan is fully funded by the Group.

The Group measures its accrued benefit obligations and the fair value of plan assets for accounting purposes as at December 31 of each year. The most recent actuarial valuation of the pension plans for funding purposes was as of December 31, 2015 and the next required valuation will be as of December 31, 2016.

Information about the Group's defined benefit pension plans is as follows:

	2015	2014
Accrued benefit obligation	46,908	46,620
Fair value of plan assets	(33,147)	(32,973)
Plan deficit - employee benefit liability	13,761	13,647

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13. EMPLOYEE BENEFITS (CONTINUED)

Plan assets comprise:

	2015	2014
Equity securities	32%	39%
Debt securities	60%	53%
Other	8%	8%

All equity and debt securities have quoted prices in active markets. Debt securities are held through mutual funds and primarily hold investments with ratings of AAA or AA, based on Moody's ratings.

The other asset categories are real estate investment trusts.

Movement in the present value of the accrued benefit obligation for defined benefit plans:

	2015	2014
Accrued benefit obligation, beginning of year	46,620	41,441
Current service cost	481	955
Interest cost	1,775	1,933
Employee contributions	8	126
Benefits paid	(2,714)	(1,716)
Past service cost	—	(1,320)
Remeasurement loss (gain) arising from:		
- Demographic assumptions	—	63
- Financial assumptions	(13)	4,922
- Experience	751	216
Accrued benefit obligation, end of year	46,908	46,620

Movement in the fair value of plan assets for defined benefit plans:

	2015	2014
Fair value of plan assets, beginning of year	32,973	28,888
Interest income	1,262	1,367
Employer contributions	1,503	1,979
Employee contributions	8	126
Benefits paid	(2,714)	(1,716)
Remeasurement gain arising from financial assumptions	278	2,492
Plan administration expenses	(163)	(163)
Fair value of plan assets, end of year	33,147	32,973

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13. EMPLOYEE BENEFITS (CONTINUED)

Expense recognized in income or loss:

	2015	2014
Current service cost	481	955
Net interest cost	513	566
Past service cost	—	(1,320)
Plan administration expenses	163	163
Pension expense	1,157	364
Actual return on plan assets	1,540	3,859

Actuarial losses recognized in other comprehensive income:

	2015	2014
Amount accumulated in retained earnings, beginning of year	10,788	8,079
Recognized during the year	460	2,709
Amount accumulated in retained earnings, end of year	11,248	10,788
Recognized during the year, net of tax	338	1,993

The significant actuarial assumptions used (expressed as weighted average):

	2015	2014
Accrued benefit obligation:		
Discount rate at December 31	3.9%	3.9%
Future salary increases	2.9%	2.9%
Employee benefit expense:		
Discount rate at January 1	3.9%	4.7%
Rate of return on plan assets at January 1	3.9%	4.7%
Future salary increases	2.9%	2.9%

Assumptions regarding future mortality are based on published statistics and mortality tables. The current longevities underlying the value of the liabilities in the defined benefit plans are as follows:

	2015	2014
Longevity at age 65 for current pensioners		
Males	21.6	21.5
Females	24.0	24.0
Longevity at age 65 for current members aged 45		
Males	22.7	22.6
Females	25.0	25.0

At December 31, 2015 the weighted-average duration of the defined benefit obligation was 13.0 years.

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13. EMPLOYEE BENEFITS (CONTINUED)

The following table presents the impact of changes of major assumptions on the defined benefit obligation for the years ended December 31:

	2015		2014	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(5,207)	6,363	(4,832)	5,957
Life expectancy (1-year movement)	972	(973)	884	(872)

Historical information:

	2015	2014	2013	2012	2011
Present value of the accrued benefit obligation	46,908	46,620	41,441	41,847	36,617
Fair value of plan assets	(33,147)	(32,973)	(28,888)	(25,087)	(23,346)
Deficit in the plan	13,761	13,647	12,553	16,760	13,271
Experience adjustments arising on plan obligations	738	5,201	(1,161)	3,460	5,401
Experience adjustments arising on plan assets	278	2,492	2,736	273	1,298

The Group expects approximately \$1.5 million in contributions to be paid to its defined benefit plans in 2016.

14. PROVISIONS

	Site restoration	Others	Total
Balance at January 1, 2015	26,660	8,636	35,296
Provisions made during the year	2,167	4,757	6,924
Provisions used during the year	(2,464)	(2,288)	(4,752)
Provisions reversed during the year	—	(347)	(347)
Revaluation of provisions	(1,259)	—	(1,259)
Unwind of discount	1,401	—	1,401
Transferred to disposal group held for sale	(26,505)	—	(26,505)
Balance at December 31, 2015	—	10,758	10,758
Non-current provisions	—	10,758	10,758

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15. DEFERRED TAX ASSETS AND LIABILITIES

	2015	2014
Partnership investments	(9,953)	(17,747)
Property and equipment	(140,986)	(154,972)
Intangible assets	(117,351)	(139,354)
Derivative financial instruments and investment in equity securities	(534)	1,596
Long-term debt	10,553	16,728
Employee benefits	5,305	5,342
Provisions	10,671	17,157
Tax losses	14,284	5,305
Other	148	—
Net deferred tax liabilities	(227,863)	(265,945)
Presented as:		
Deferred tax assets	6,960	5,070
Deferred tax liabilities	(234,823)	(271,015)

Movement in temporary differences during the year:

	Balance December 31, 2013	Recognized in income or loss from continuing operations	Recognized in income or loss from discontinued operations	Recognized directly in equity	Acquired in business combinations	Transfer of deferred taxes to disposal group held for sale	Balance December 31, 2014
Partnership investments	(20,959)	6,646	—	—	(3,434)	—	(17,747)
Property and equipment	(71,817)	6,420	7,922	(5,397)	(92,100)	—	(154,972)
Intangible assets	(61,644)	10,033	393	(4,132)	(84,004)	—	(139,354)
Long-term debt	(589)	159	2,010	—	15,148	—	16,728
Employee benefits	4,624	2	—	716	—	—	5,342
Provisions	12,573	(770)	120	—	5,234	—	17,157
Tax losses	2,634	(4,387)	—	—	7,058	—	5,305
Other	(273)	847	—	825	197	—	1,596
Net deferred tax liabilities	(135,451)	18,950	10,445	(7,988)	(151,901)	—	(265,945)

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15. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

	Balance December 31, 2014	Recognized in income or loss from continuing operations	Recognized in income or loss from discontinued operations	Recognized directly in equity	Acquired in business combinations	Transfer of deferred taxes to disposal group held for sale	Balance December 31, 2015
Partnership investments	(17,747)	7,794	—	—	—	—	(9,953)
Property and equipment	(154,972)	2,887	15,323	(9,944)	36	5,684	(140,986)
Intangible assets	(139,354)	6,228	1,070	(9,016)	(814)	24,535	(117,351)
Long-term debt	16,728	(4,165)	(292)	—	—	(1,718)	10,553
Employee benefits	5,342	(159)	—	122	—	—	5,305
Provisions	17,157	(2,234)	884	—	—	(5,136)	10,671
Tax losses	5,305	(3,446)	—	12,425	—	—	14,284
Other	1,596	(1,981)	—	—	—	(1)	(386)
Net deferred tax liabilities	(265,945)	4,924	16,985	(6,413)	(778)	23,364	(227,863)

Tax losses expire between 2026 and 2033 and the related deferred tax assets have been recognized because it is probable that future taxable income will be available to benefit from these losses.

16. SHARE CAPITAL AND OTHER COMPONENTS OF EQUITY

The Company is authorized to issue an unlimited number of common shares and preferred shares, issuable in series. Both common and preferred shares are without par value. All issued shares are fully paid.

The common shares entitle the holders thereof to one vote per share. The holders of the common shares are entitled to receive dividends as declared from time to time. Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Company, the holders of the common shares are entitled to receive the remaining property of the Company upon its dissolution, liquidation or winding-up.

The preferred shares may be issued in one or more series, with such rights and conditions as may be determined by resolution of the Directors who shall determine the designation, rights, privileges, conditions and restrictions to be attached to the preferred shares of such series. There are no voting rights attached to the preferred shares except as prescribed by law. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of assets of the Company among its shareholders, the holders of the preferred shares of each series are entitled to receive, with priority over the common shares and any other shares ranking junior to the preferred shares of the Company, an amount equal to the redemption price for such shares, plus an amount equal to any dividends declared thereon but unpaid and not more. The preferred shares for each series are also entitled to such other preferences over the common shares and any other shares ranking junior to the preferred shares as may be determined as to their respective series authorized to be issued. The preferred shares of each series shall be on a parity basis with the preferred shares of every other series with respect to payment of dividends and return of capital. There are no preferred shares currently issued and outstanding.

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16. SHARE CAPITAL AND OTHER COMPONENTS OF EQUITY (CONTINUED)

The following table summarizes the number of common shares issued:

<i>(in number of shares)</i>	Note	2015	2014
Balance, beginning of year		102,323,968	93,405,264
Repurchase and cancellation of own shares		(4,834,300)	(2,307,000)
Stock options exercised	18	130,502	376,066
Warrants exercised		12,332	935,000
Conversion of convertible debentures		—	9,914,638
Balance, end of year		97,632,502	102,323,968

The following table summarizes the share capital issued and fully paid:

	2015	2014
Balance, beginning of year	799,100	577,993
Repurchase and cancellation of own shares	(37,764)	(16,681)
Cash consideration of stock options exercised	2,137	4,328
Ascribed value credited to share capital on stock options exercised	630	1,296
Ascribed value credited to share capital on warrants exercised	240	5,610
Conversion of convertible debentures	—	200,179
Cash consideration of warrants exercised	—	18,859
Equity component of convertible debentures credited to share capital on conversion of debentures	—	7,516
Balance, end of year	764,343	799,100

Pursuant to the renewal of the normal course issuer bid ("NCIB") which began on September 28, 2015 and expiring on September 27, 2016, the Company is authorized to repurchase for cancellation up to a maximum of 6,000,000 of its common shares under certain conditions. As at December 31, 2015, the Company has repurchased and cancelled 310,000 common shares under this NCIB.

During 2015, the Company repurchased 4,834,300 common shares at a price ranging from \$21.93 to \$27.92 per share for a total purchase price of \$121.8 million relating to the current and previous NCIBs. During 2014, the Company repurchased 2,307,000 common shares at a price ranging from \$22.46 to \$29.00 per share for a total purchase price of \$57.4 million relating to the NCIB. The excess of the purchase price paid over the carrying value of the shares repurchased, in the amount of \$84.0 million (2014 - \$40.7 million), was charged to retained earnings as share repurchase premium.

During 2015, 40,000 warrants with the exercise price of \$20.17 were exercised under the cashless exercise provision resulting in the issuance of 12,332 common shares of the Company (2014 - 935,000 warrants exercised at exercise price of \$20.17, cashless exercise provision not applied). The cashless exercise provision of the warrants allows the holder to receive a number of common shares equivalent in value to the difference of the market price of the common shares underlying the number of warrants exercised and the exercise price, in lieu of cash or other consideration. The share price at the date of exercise was \$29.16. As at December 31, 2015, there are no outstanding warrants.

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16. SHARE CAPITAL AND OTHER COMPONENTS OF EQUITY (CONTINUED)***September 2018 – \$85-million convertible debentures***

On September 7, 2011, the Company issued convertible debentures which bear interest at a rate of 5.65% per annum, payable semi-annually on March 31 and September 30 each year. The convertible debentures were convertible at the holder's option into the Company's common shares at a conversion price of \$22.10 per share, representing a conversion rate of 45.2489 common shares per \$1,000 principal amount of convertible debentures. During 2014, a principal amount of \$0.4 million of the outstanding 5.65% convertible debentures had been converted into 19,092 common shares. The equity portion of the converted debentures was reclassified to share capital.

On September 9, 2014, the Company announced that it will redeem, as of October 9, 2014, all of the remaining aggregate principal amount of \$84.4 million of its outstanding 5.65% convertible debentures. Following the announcement, the Company revalued these debentures at fair value. This resulted in accelerated accretion expense totaling \$4.0 million which is presented in finance costs in the consolidated statements of income. Pursuant to the conversion option available to debenture holders, the Company received conversion requests for a principal amount of \$81.6 million resulting in the issuance of 3,692,572 new common shares. The equity portion of the converted debentures of \$2.1 million was reclassified to share capital. The Company redeemed an unconverted principal amount of \$2.7 million as at October 9, 2014 repayment of which is presented in repayment of long-term debt in the consolidated statements of cash flows. The equity component of the repurchased debentures amounting to \$0.1 million was reclassified to retained earnings.

November 2015 – \$143.8-million convertible debentures

On November 19, 2010, the Company issued convertible debentures which bear interest at a rate of 6.00% per annum, payable semi-annually on May 31 and November 30 each year. The convertible debentures were convertible at the holder's option into the Company's common shares at a conversion price of \$19.05 per share, representing a conversion rate of 52.4934 common shares per \$1,000 principal amount of convertible debentures.

On January 3, 2014, the Company announced that it will redeem, as of February 3, 2014, all of the remaining aggregate principal amount of \$122.1 million of its outstanding 6% convertible debentures. Following the announcement, the Company revalued these debentures at fair value. This resulted in accelerated accretion expense totaling \$5.5 million which is presented in finance costs in the consolidated statements of income. Pursuant to the conversion option available to debenture holders, the Company received conversion requests for a principal amount of \$118.2 million resulting in the issuance of 6,202,974 new common shares. The equity portion of the converted debentures amounting to \$5.4 million was reclassified to share capital. The Company redeemed an unconverted principal amount of \$3.9 million as at February 3, 2014, repayment of which is presented in repayment of long-term debt in the consolidated statements of cash flows. The equity component of the repurchased debentures amounting to \$0.2 million was reclassified to retained earnings. In 2013, a principal amount of \$21.2 million had been converted into 1,114,955 common shares. The equity portion of the converted debentures amounting to \$1.0 million was reclassified to share capital.

Contributed surplus

The contributed surplus account is used to record amounts arising on the issue of equity-settled share-based payment awards (see note 18) and the value of the warrants issued.

Accumulated other comprehensive income ("AOCI")

At December 31, 2015 and 2014, AOCI is comprised of accumulated foreign currency translation differences arising from the translation of the financial statements of foreign operations, changes in fair value of available for sale financial assets, gain or loss on net investment hedge and defined benefit plan remeasurement gain or loss.

Dividends

In 2015, the Company declared dividends amounting to 68.0 cents per common share (2014 – 60.5 cents) for a total of \$67.8 million (2014 - \$60.4 million). After December 31, 2015 no dividends were declared by the Board of Directors.

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17. EARNINGS PER SHARE**Basic earnings per share**

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

<i>(in thousands of dollars and number of shares)</i>	2015	2014*
Income attributable to owners of the Company	163,437	127,918
Income from continuing operations attributable to the owners of the company	145,732	116,229
Issued common shares, beginning of period	102,323,968	93,405,264
Effect of stock options and warrants exercised	100,982	476,407
Effect of repurchase of own shares	(2,218,888)	(1,265,200)
Effect of converted debentures	—	6,820,913
Weighted average number of common shares	100,206,062	99,437,384
Earnings per share – basic	1.63	1.29
Earnings per share from continuing operations – basic	1.45	1.17

(*) Restated (see note 6)

Diluted earnings per share

The 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:

<i>(in thousands of dollars and number of shares)</i>	2015	2014*
Income attributable to owners of the Company	163,437	127,918
Dilutive effect	—	—
Income attributable to owners of the Company, adjusted for dilution effect	163,437	127,918
Income from continuing operations attributable to the owners of the company adjusted for dilution effect	145,732	116,229
Weighted average number of common shares	100,206,062	99,437,384
Dilutive effect:		
Stock options, restricted share units and warrants	1,787,827	1,928,514
Weighted average number of diluted common shares	101,993,889	101,365,898
Earnings per share - diluted	1.60	1.26
Earnings per share from continuing operations - diluted	1.43	1.15

(*) Restated (see note 6)

As at December 31, 2015, 1,383,814 stock options were excluded from the calculation of diluted earnings per share as these options were deemed to be anti-dilutive (2014 – 479,062).

The average market value of the Company's shares for purposes of calculating the dilutive effect of stock options was based on quoted market prices for the period during which the options were outstanding.

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18. SHARE-BASED PAYMENT ARRANGEMENTS**Stock option plan**

The Company offers a stock option plan for the benefit of certain of its employees. The maximum number of shares which may be issued under this plan may not exceed ten percent (10%) of the number of issued and outstanding shares of the Company from time to time. Each stock option entitles its holder to receive one common share upon exercise. The exercise price payable for each option is determined by the Board of Directors at the date of grant, and may not be less than the closing price of volume weighted average trading price of the Company's shares for the last five trading days immediately preceding the grant date. The options vest in equal instalments over three years and the expense is recognized following the accelerated method as each instalment is fair valued separately. The table below summarizes the changes in the outstanding stock options:

<i>(in thousands of options and in dollars)</i>	2015		2014	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of year	4,193	14.93	4,229	13.57
Granted	915	24.93	479	25.14
Exercised	(131)	16.37	(376)	11.51
Forfeited	(43)	23.21	(139)	18.14
Balance, end of year	4,934	16.67	4,193	14.93
Options exercisable, end of year	3,451	13.48	2,842	11.99

The following table summarizes information about stock options outstanding and exercisable at December 31, 2015:

<i>(in thousands of options and in dollars)</i>	Options outstanding		Options exercisable
Exercise prices	Number of options	Weighted average remaining contractual life (in years)	Number of options
6.32	749	3.6	749
9.46	662	4.6	662
14.28	588	2.6	588
16.46	793	3.6	793
20.18	780	4.6	507
24.93	908	6.6	—
25.14	454	5.6	152
	4,934	4.5	3,451

Of the options outstanding at December 31, 2015, a total of 4,020,595 (December 31, 2014 – 3,406,944) are held by key management personnel.

The weighted average share price at the date of exercise for stock options exercised in 2015 was \$28.67 (2014 – \$25.79).

In 2015, the Group recognized a compensation expense of \$3.1 million (2014 – \$3.7 million) with a corresponding increase to contributed surplus.

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18. SHARE-BASED PAYMENT ARRANGEMENTS (CONTINUED)***Stock option plan (continued)***

On July 23, 2015, the Board of Directors approved the grant of 915,485 stock options under the Company's stock option plan of which 613,651 were granted to key management personnel. The options vest in equal instalments over three years and have a life of seven years. The fair value of the stock options granted was estimated using the Black-Scholes option pricing model using the following weighted average assumptions:

	July 23, 2015	July 24, 2014
Average expected option life	4.5 years	4.5 years
Risk-free interest rate	0.73%	1.69%
Expected stock price volatility	24.85%	26.88%
Average dividend yield	2.68%	2.36%
Weighted average fair value of options granted	\$3.86	\$4.78

Deferred share unit plan for board members

The Company offers a deferred share unit plan ("DSU") for its board members. Under this plan, board members may elect to receive cash, deferred share units or a combination of both for their compensation. The following table provides the number of units related to this plan:

(in units)	2015	2014
Balance, beginning of year	217,557	188,690
Board members compensation	37,286	24,208
Deferred share units redeemed	(5,436)	—
Dividends paid in units	5,646	4,659
Balance, end of year	255,053	217,557

In 2015, the Group recognized, as a result of deferred share units, a compensation expense of \$1.0 million (2014 - \$0.6 million) with a corresponding increase to trade and other payables.

As at December 31, 2015, the total carrying amount of liabilities for cash-settled arrangements recorded in trade and other payables amounted to \$6.0 million (December 31, 2014 - \$6.5 million).

Performance contingent restricted share unit plan

The Company offers an equity incentive plan to the benefits of senior employees of the Group. The plan provides for the issuance of restricted share units ("RSUs") under conditions to be determined by the Board of Directors. The RSUs vest after 3 consecutive years of service from the grant date. Upon satisfaction of the required service period, the plan provides for settlement of the award through shares.

On July 23, 2015, the Company granted a total of 144,299 RSUs under its equity incentive plan. The fair value of the RSUs is determined to be the share price fair value at the date of the grant and is recognized as a share-based compensation expense, through contributed surplus, over the vesting period. The fair value of the RSUs granted during the period was \$24.93 per unit.

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18. SHARE-BASED PAYMENT ARRANGEMENTS (CONTINUED)***Performance contingent restricted share unit plan (continued)***

The table below summarizes changes to the outstanding RSUs:

<i>(in thousands of RSUs and in dollars)</i>	2015		2014	
	Number of RSUs	Weighted average exercise price	Number of RSUs	Weighted average exercise price
Balance, beginning of year	83	25.14	—	—
Granted	144	24.93	82	25.14
Reinvested	3	25.07	1	25.14
Exercised	(1)	25.12	—	—
Forfeited	(5)	25.10	—	—
Balance, end of year	224	25.01	83	25.14

The following table summarizes information about RSUs outstanding and exercisable at December 31, 2015:

<i>(in thousands of RSUs and in dollars)</i>	RSUs outstanding	RSUs exercisable
	Number of RSUs	Remaining contractual life (in years)
Exercise prices		
24.93	144	2.5
25.14	80	1.5
	224	

In 2015, the Group recognized as a result of RSUs a compensation expense of \$1.3 million (2014 - \$0.3 million) with a corresponding increase to contributed surplus.

Of the RSUs outstanding at December 31, 2015, a total of 153,207 (December 31, 2014 – 55,861) are held by key management personnel.

19. OPERATING EXPENSES

The Group's operating expenses include: a) materials and services expenses, which are primarily costs related to independent contractors and vehicle operation; vehicle operation expenses, which primarily include fuel, repairs and maintenance, insurance, permits and operating supplies; b) personnel expenses; c) other operating expenses, which are primarily composed of costs related to offices' and terminals' rent, taxes, heating, telecommunications, maintenance and security and other general administrative expenses; and d) depreciation, amortization and gain or loss on disposition of property and equipment and assets held for sale.

YEARS ENDED DECEMBER 31, 2015 AND 2014

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19. OPERATING EXPENSES (CONTINUED)

	2015	2014*
Materials and services expenses		
Independent contractors	1,778,393	1,579,774
Vehicle operation expenses	607,578	480,415
	2,385,971	2,060,189
Personnel expenses	978,458	789,475
Other operating expenses	240,234	216,624
Depreciation of property and equipment	129,096	86,035
Amortization of intangible assets	47,130	35,678
Gain on sale of property and equipment	(23,565)	(19,134)
Gain on sale of assets held for sale	(3,896)	—
Gain on sale of business	—	(1,403)
	3,753,428	3,167,464

(*) Restated (see note 6)

Operating expenses increases are mostly attributable to business combinations.

20. PERSONNEL EXPENSES

	Note	2015	2014*
Short-term employee benefits		950,615	767,709
Contributions to defined contribution plans		12,337	12,073
Current and past services costs related to defined benefit plans	13	481	(365)
Termination benefits		9,725	5,425
Equity-settled share-based payment transactions	18	4,356	4,006
Cash-settled share-based payment transactions	18	944	627
		978,458	789,475

(*) Restated (see note 6)

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(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.)

21. FINANCE INCOME AND FINANCE COSTS***Recognized in income or loss:***

<i>(Income) costs</i>	2015	2014*
Interest expense on long-term debt	60,036	44,854
Net foreign exchange (gain) loss	(1,145)	3,285
Net change in fair value of foreign exchange derivatives	7,194	1,804
Net change in fair value of interest rate derivatives	5,694	3,256
Other financial expenses	4,675	8,245
Gain on sale of investment in equity securities	(749)	(524)
Accelerated accretion expense on conversion of debenture	—	9,541
Reclassification to income of accumulated unrealized gain on investment in equity securities	—	(6,245)
Net finance costs	75,705	64,216
Presented as:		
Finance income	(1,894)	(6,769)
Finance costs	77,599	70,985

(*) Restated (see note 6)

22. INCOME TAX EXPENSE***Income tax recognized in income or loss:***

	2015	2014*
Current tax expense		
Current year	66,434	64,738
Adjustment for prior years	(6,486)	1,376
	59,948	66,114
Deferred tax expense		
Origination and reversal of temporary differences	(14,290)	(19,983)
Variation in tax rate	1,349	(376)
Adjustment for prior years	8,017	1,409
	(4,924)	(18,950)
Income tax expense from continuing operations	55,024	47,164

(*) Restated (see note 6)

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22. INCOME TAX EXPENSE (CONTINUED)

Income tax recognized in other comprehensive income:

	2015			2014		
	Before tax	Tax benefit	Net of tax	Before Tax	Tax benefit	Net of tax
Foreign currency translation differences	116,881	—	116,881	46,996	—	46,996
Reclassification to income of accumulated unrealized gain on investment in equity securities	—	—	—	(6,245)	(825)	(5,420)
Defined benefit plan remeasurement loss	(460)	(122)	(338)	(2,709)	(716)	(1,993)
Loss on net investment hedge	(114,180)	(15,192)	(98,988)	(44,311)	(5,858)	(38,453)
	2,241	(15,314)	17,555	(6,269)	(7,399)	1,130

Reconciliation of effective tax rate:

	2015		2014*	
Income before income tax		200,756		163,394
Income tax using the Company's statutory tax rate	26.9%	54,004	26.9%	43,953
Increase (decrease) resulting from:				
Rate differential between jurisdictions	(3.1%)	(6,302)	(1.5%)	(2,484)
Variation in tax rate	0.7%	1,410	(0.2%)	(376)
Non-deductible expenses	2.2%	4,459	3.6%	5,851
Tax exempt income	(1.3%)	(2,653)	(2.8%)	(4,610)
Adjustment for prior years	0.8%	1,531	1.7%	2,785
Others	1.3%	2,575	1.3%	2,045
	27.5%	55,024	29.0%	47,164

(*) Restated (see note 6)

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23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Derivative financial instruments' fair values were as follows:

	Note	2015	2014
Current assets			
Cross currency interest rate swap contracts	d	11,375	—
Interest rate derivatives	e	—	174
Non-current assets			
Interest rate derivatives	e	—	347
Current liabilities			
Foreign exchange derivatives	d	230	1,675
Contracts denominated in foreign currencies	d	700	—
Cross currency interest rate swap contracts	d	—	753
Interest rate derivatives	e	2,133	912
		3,063	3,340
Non-current liabilities			
Foreign exchange derivatives	d	—	53
Contracts denominated in foreign currencies	d	2,427	—
Interest rate derivatives	e	7,152	3,201
		9,579	3,254

Risks

In the normal course of its operations and through its financial assets and liabilities, the Group is exposed to the following risks:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives and processes for managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Group's management identifies and analyzes the risks faced by the Group, sets appropriate risk limits and controls, and monitors risks and adherence to limits. Risk management is reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors has overall responsibility of the Group's risk management framework. The Board of Directors monitors the Group's risks through its audit committee. The audit committee reports regularly to the Board of Directors on its activities.

The Group's audit committee oversees how management monitors and manages the Group's risks and is assisted in its oversight role by the Group's internal audit. Internal audit undertakes both regular and ad hoc reviews of risk, the results of which are reported to the audit committee.

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(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.)

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)**a) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Group's trade receivables. The Group grants credit to its customers in the ordinary course of business. Management believes that the credit risk of trade receivables is limited due to the following reasons:

- There is a broad base of customers with dispersion across different market segments;
- No single customer accounts for more than 10% of the Group's revenue;
- Approximately 93.6% (2014 – 93.3%) of the Group's trade receivables are not past due or 30 days or less past due;
- Bad debt expense has been approximately 0.1% of consolidated revenues for the last 3 years (2014 – 0.1%).

Exposure to credit risk

The Group's maximum credit exposure corresponds to the carrying amount of the financial assets. The maximum exposure to credit risk at the reporting date was:

	2015	2014
Trade and other receivables	507,872	598,277
Derivative financial assets	11,375	521
	519,247	598,798

Impairment losses

The aging of trade and other receivables at the reporting date was:

	Total	Impairment	Total	Impairment
	2015	2015	2014	2014
Not past due	380,570	—	457,482	—
Past due 1 – 30 days	95,687	1,028	102,087	1,190
Past due 31 – 60 days	15,753	3,083	31,667	3,570
Past due more than 60 days	26,139	6,166	18,940	7,139
	518,149	10,277	610,176	11,899

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	2015	2014
Balance, beginning of year	11,899	6,103
Business combinations	—	7,140
Bad debt expenses	2,116	3,277
Amount written off and recoveries	(2,619)	(4,621)
Reclassified to disposal group held for sale	(1,119)	—
Balance, end of year	10,277	11,899

The impaired trade receivables are mostly due from customers that are experiencing financial difficulties. Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of past due trade receivables.

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23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)**b) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Cash inflows and cash outflows requirements from Group's entities are monitored closely and separately to ensure the Group optimizes its cash return on investment. Typically, the Group ensures that it has sufficient cash to meet expected operational expenses; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. The Group monitors its short and medium-term liquidity needs on an ongoing basis using forecasting tools. In addition, the Group maintains a revolving facility, which has \$229.4 million availability at December 31, 2015 (2014 - \$228.0 million) and has an additional \$250 million credit available (C\$245 million and US\$5 million) under certain conditions under its syndicated bank agreement (2014 - \$250 million, C\$245 million and US\$5 million).

The following are the contractual maturities of the financial liabilities, including estimated interest payment:

	Carrying amount	Contractual Cash-flows	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2015						
Bank indebtedness	19,112	19,112	19,112	—	—	—
Trade and other payables	427,731	427,731	427,731	—	—	—
Current tax payable	13,630	13,630	13,630	—	—	—
Long-term debt	1,615,100	1,690,892	641,953	854,003	194,936	—
Derivatives financial liabilities	12,642	12,642	3,063	4,258	4,727	594
Other financial liability	2,941	2,941	—	—	2,941	—
	2,091,156	2,166,948	1,105,489	858,261	202,604	594
December 31, 2014						
Bank indebtedness	22,288	22,288	22,288	—	—	—
Trade and other payables	440,677	440,677	440,677	—	—	—
Current tax Payable	1,917	1,917	1,917	—	—	—
Long-term debt	1,617,742	1,758,425	359,573	387,926	1,004,309	6,617
Derivatives financial liabilities	6,594	6,594	3,340	3,254	—	—
	2,089,218	2,229,901	827,795	391,180	1,004,309	6,617

It is not expected that the contractual cash flows could occur significantly earlier, or at significantly different amounts.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Group's management and it does not use derivatives for speculative purposes.

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23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)**d) Currency risk**

The Group is exposed to currency risk on financial assets and liabilities, sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. Primarily the Canadian entities are exposed to U.S. dollars and entities having a functional currency other than the Canadian dollars (foreign operations) are not significantly exposed to currency risk. The Group mitigates and manages its future US\$ cash flow by creating offsetting positions through the use of derivatives. These instruments include foreign exchange contracts and currency option instruments, which are commitments to buy or sell at a future date, and may be settled in cash.

The Group mitigates its financial net liabilities exposure to foreign currency risk related to Canadian entities by holding monthly cross currency interest rate swap contracts, which swaps U.S. dollar principal into Canadian dollars. These instruments were recorded into the consolidated statement of financial position at their fair value which has a current asset of \$11.4 million at December 31, 2015 (2014 – liability of \$0.8 million). Also, effective July 3, 2014, the Group designated a portion of its U.S. dollar denominated debt as a hedging item in a net investment hedge.

The Group's financial assets and liabilities exposure to foreign currency risk related to Canadian entities was as follows based on notional amounts:

<i>(in thousands of U.S. dollars)</i>	2015	2014
Trade and other receivables	38,991	38,099
Trade and other payables	(4,768)	(1,926)
Long-term debt	(704,995)	(847,197)
Balance sheet exposure	(670,772)	(811,024)
Cross currency interest rate swap contracts	217,800	258,000
Long-term debt designated as investment hedge	466,000	537,000
Net balance sheet exposure	13,028	(16,024)

The Group estimates its annual net US\$ denominated cash flow at approximately \$260 million (2014 - \$220 million). This cash flow is earned evenly throughout the year.

The following exchange rates applied during the year:

	2015	2014
Average US\$ for the year ended December 31	1.2785	1.1038
Closing US\$ as at December 31	1.3840	1.1601

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23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)**d) Currency risk (continued)**

The Group's foreign exchange derivatives are as follows:

	Exchange rate	Maturity	Notional contract amount US\$	Fair value CDN\$
December 31, 2015				
Sell contracts and currency options (US\$ for CDN\$):				
Foreign exchange contracts	1.04 - 1.13	Less than 1 year	500	(230)
Cross currency interest rate swap contracts	1.332	Less than 1 year	217,800	11,375
Assets (liabilities)				11,145
December 31, 2014				
Sell contracts and currency options (US\$ for CDN\$):				
Foreign exchange contracts and currency option instruments	1.02 - 1.12	Less than 1 year	16,700	(1,675)
Foreign exchange contracts	1.04 - 1.11	1 to 2 years	400	(53)
Cross currency interest rate swap contracts	1.163	Less than 1 year	258,000	(753)
Assets (liabilities)				(2,481)

The fair value of foreign exchange forward and currency option contracts has been determined using rates published by the financial institution which is counterparty to these.

Sensitivity analysis

A 1-cent increase in the U.S. dollar at the reporting date, assuming all other variables, in particular interest rates, remain constant, would have increased (decreased) equity and income or loss by the amounts shown below. The analysis is performed on the same basis for 2014.

	2015		2014	
	1-cent Increase	1-cent Decrease	1-cent Increase	1-cent Decrease
Balance sheet exposure	(4,846)	4,846	(5,929)	5,929
Cross currency interest rate swap contracts	1,577	(1,577)	1,886	(1,886)
Long-term debt designated as investment hedge	3,367	(3,367)	3,925	(3,925)
Net balance sheet exposure	98	(98)	(118)	118

Net impact on change in fair value of foreign exchange derivatives is not significant.

e) Interest rate risk

The Group's intention is to minimize its exposure to changes in interest rates by maintaining a significant portion of fixed-rate interest-bearing long-term debt. This is achieved by entering into interest rate swaps.

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23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)**e) Interest rate risk (continued)**

At December 31, 2015 and 2014, the interest rate profile of the Group's carrying amount interest-bearing financial instruments was:

	2015	2014
Fixed rate instruments	251,163	269,130
Variable rate instruments	1,363,937	1,348,612
	1,615,100	1,617,742

The Group's interest rate derivatives are as follows:

	2015			2014		
	Average Libor rate	Notional Contract Amount USD\$	Fair value CDN\$	Average Libor rate	Notional Contract Amount USD\$	Fair value CDN\$
Coverage period:						
Less than 1 year	1.58%	475,000	(2,133)	1.33%	325,000	(738)
1 to 2 years	1.85%	350,000	(1,831)	1.33%	325,000	(738)
2 to 3 years	1.92%	325,000	(1,794)	1.43%	275,000	(649)
3 to 4 years	1.92%	325,000	(1,794)	2.15%	125,000	(587)
4 to 5 years	1.89%	237,500	(1,139)	2.15%	125,000	(587)
5 to 6 years	1.92%	100,000	(382)	2.15%	62,500	(293)
6 to 7 years	1.92%	75,000	(212)	—	—	—
Liabilities			(9,285)			(3,592)
Presented as:						
Current assets			—			174
Non-current assets			—			347
Current liabilities			(2,133)			(912)
Non-current liabilities			(7,152)			(3,201)

The fair value of the interest rate swaps has been determined using rates published on financial capital markets.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial liabilities at fair value through income or loss. Therefore a change in interest rates at the reporting date would not affect income or loss.

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23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)**e) Interest rate risk (continued)*****Cash flow sensitivity analysis for variable rate instruments***

A 1% change in interest rates at the reporting date would have increased (decreased) equity and net income or net loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014.

	2015		2014	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Interest on variable rate instrument	(9,970)	9,970	(9,858)	9,858
Interest on interest rate swaps	4,806	(4,806)	2,787	(2,787)
	(5,164)	5,164	(7,071)	7,071

Net impact on change in fair value of interest rate swaps is not significant.

f) Capital management

For the purposes of capital management, capital consists of share capital and retained earnings of the Group. The Group's objectives when managing capital are:

- To ensure proper capital investment in order to provide stability and competitiveness to its operations;
- To ensure sufficient liquidity to pursue its growth strategy and undertake selective acquisitions;
- To maintain an appropriate debt level so that there are no financial constraints on the use of capital; and
- To maintain investors, creditors and market confidence.

The Group seeks to maintain a balance between the highest returns that might be possible with higher level of borrowings and the advantages and security by a sound capital position.

The Group monitors its long-term debt using the ratios below to maintain an appropriate debt level. The Group's debt-to-equity and debt-to-capitalization ratios are as follows:

	2015	2014
Long-term debt	1,615,100	1,617,742
Shareholders' equity	1,027,372	1,029,413
Debt-to-equity ratio	1.57	1.57
Debt-to-capital ratio	0.61	0.61

There were no changes in the Group's approach to capital management during the year.

The Group's credit facility agreement requires monitoring two ratios on a quarterly basis. The first is a ratio of total debt plus letters of credit and some other long-term liabilities to earnings before interest, income taxes, depreciation and amortization ("EBITDA"), including last twelve-months adjusted EBITDA from business acquisitions. The second is a ratio of adjusted earnings before interest, income taxes, depreciation and amortization and rent expense ("EBITDAR"), and, including last twelve-months adjusted EBITDAR from business acquisitions to interest and net rent expenses. These ratios are measured on a consolidated last twelve-months basis and must be kept below a certain threshold so as not to breach a covenant in the Group's syndicated bank. At December 31, 2015 and December 31, 2014, the Group was in compliance with its financial covenants.

The Group has sufficient liquidity to continue both its operations as well as its acquisition strategy.

Upon maturity of the Group's long-term debt, the Group's management and its Board of Directors will assess if the long-term debt should be renewed at its original value, increased or decreased based on the then required capital need, credit availability and future interest rates.

YEARS ENDED DECEMBER 31, 2015 AND 2014

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.)

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)**g) Accounting classification and fair values**

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	2015		2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Assets carried at fair value				
Derivative financial instruments	11,375	11,375	521	521
Assets carried at amortized cost				
Trade and other receivables	507,872	507,872	598,277	598,277
	519,247	519,247	598,798	598,798
Financial liabilities				
Liabilities carried at fair value				
Derivative financial instruments	12,642	12,642	6,594	6,594
Other financial liability	2,941	2,941	—	—
Liabilities carried at amortized cost				
Bank indebtedness	19,112	19,112	22,288	22,288
Trade and other payables	427,731	427,731	440,677	440,677
Current taxes payable	13,630	13,630	1,917	1,917
Long-term debt	1,615,100	1,619,805	1,617,742	1,642,031
	2,091,156	2,095,861	2,089,218	2,113,507

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at December 31 plus an adequate credit spread, and were as follows:

	2015	2014
Long-term debt	2.6%	2.8%

Fair value hierarchy

Group's financial assets and liabilities recorded at fair value on a recurring basis are investment in equity securities and the derivative financial instruments discussed above. Investment in equity securities are measured using level-1 inputs of the fair value hierarchy and derivative financial instruments are measured using level-2 inputs.

The forward purchase agreement liability is valued at the fair value using level 3 inputs in the fair value hierarchy. The fair value represents the present value of the exercise price of the forward and is measured by applying the income approach using the probability-weighted expected payment of the exit price and is based on discounted cash flows. Unobservable inputs within the fair value measurement include the exit price and the expected payment date for the written put options. The exit price is based on a formulaic variable price which is mainly a function of earnings levels in future periods and requires assumptions about revenue growth rates and operating margins and the expected payment date of the exit price. If the future earnings levels in the future periods would increase (decrease), the estimated fair value of forward purchase agreement liability would increase (decrease).

YEARS ENDED DECEMBER 31, 2015 AND 2014

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.)

24. OPERATING LEASES, COMMITMENTS, CONTINGENCIES AND LETTERS OF CREDIT**a) Operating leases**

The Group entered into operating leases expiring on various dates through March 2035, with respect to rolling stock, real estate and other. The total future minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
Less than 1 year	116,952	110,972
Between 1 and 5 years	237,951	227,410
More than 5 years	124,824	147,790
	479,727	486,172

In 2015, an amount of \$126.6 million was recognized as expenses in income or loss in respect of operating leases (2014 – \$101.6 million).

b) Commitments

According to agreements expiring at various dates through 2044, the Group has to dispose of a minimum number of tons at third party disposal facilities. Under these put-or-pay agreements, there is a requirement to pay a certain amount for the agreed upon minimum volumes regardless of the actual number of tons placed at the facilities. The Group generally fulfills minimum contractual obligations by disposing of volumes collected in the ordinary course of business at these disposal facilities. As at December 31, 2015, the estimated minimum obligations for the above-described purchase commitments, which are not recognized in the consolidated statements of financial position, were \$6.7 million due in less than a year, \$29.0 million between one and five years and \$56.5 million thereafter. These commitments relate specifically to the Waste Management segment and will be transferred to the purchasers as part of the disposal of the Waste Management segment.

c) Contingencies

There are pending claims against the Group and, in the opinion of management, these claims are adequately provided for and settlement should not have a significant impact on the Group's financial position or results of operations.

d) Letters of credit

As at December 31, 2015, the Group had \$32.6 million of outstanding letters of credit (2014 - \$37.0 million).

25. RELATED PARTIES***Parent and ultimate controlling party***

There is no single ultimate controlling party. The shares of the Company are widely held.

Transactions with key management personnel

Board members of the Company, executive officers and top managers of major Group's entities are deemed to be key management personnel. There is no transaction with key management personnel other than their respective compensation.

Key management personnel compensation

In addition to their salaries, the Company also provides non-cash benefits to board members and executive officers.

YEARS ENDED DECEMBER 31, 2015 AND 2014

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.)

25. RELATED PARTIES (CONTINUED)

Executive officers also participate in the Company's stock option program and board members are entitled to deferred share units, as described in note 18. Costs incurred for key management personnel in relation to these plans are detailed below.

Key management personnel compensation comprised:

	2015	2014
Short-term benefits	9,322	9,136
Post-employment benefits	674	610
Equity-settled share-based payment transactions	2,975	2,823
Cash-settled share-based payment transactions	941	627
	13,912	13,196

26. SUBSEQUENT EVENTS

On February 1, 2016, the Group sold the Waste Management Segment to GFL Environmental Inc. for \$800 million, of which \$25 million was in the form of an unsecured promissory note bearing 3% per annum payable on February 1, 2020. The final working capital adjustment remains outstanding.

The Group has estimated that a pre-tax gain of approximately \$550 million will be recognized for this sale.

The funds received from the sale of the Waste Management Segment were used, in part, to repay the term loans due in February and November 2016.

BOARD OF DIRECTORS



ALAIN BÉDARD, FCPA, FCA
Chairman of the Board,
President and Chief Executive
Officer, TransForce Inc.



ANDRÉ BÉRARD
Corporate Director



LUCIEN BOUCHARD
Partner in the law firm of
Davies Ward Phillips and
Vineberg LLP



STANLEY G. DUNFORD
Corporate Director and
Investment Executive



RICHARD GUAY
Consultant and
Corporate Director



ANNIE LO
Corporate Director



NEIL DONALD MANNING
Corporate Director



RONALD D. ROGERS, CA
Corporate Director



JOEY SAPUTO
President, Montreal Impact
and Saputo Stadium

CORPORATE GOVERNANCE

As an industry leader, TransForce Inc. meets and complies with the existing guidelines for effective corporate governance. We do more than being in compliance of a set of rules; we have adopted a fundamental attitude, based on our principle of Accountability.

CODE OF ETHICS AND DISCLOSURE POLICY

To ensure we meet the highest standards of governance, the Board of Directors is guided – and TransForce’s business activities are shaped – by the principles outlined in TransForce’s Code of Ethics (the “Code”) and the Disclosure Policy. The Code applies to everyone from the Board members to all employees of TransForce and its operating divisions. It incorporates all of our guiding principles and provides a frame of reference for dealing with complex and sensitive issues. It is the responsibility of the Corporate Governance and Nominating Committee to ensure compliance, on a regular basis and as required, with the controls described in the Code. The Disclosure Policy contains various rules and guidelines to ensure that communications to the general public, the media and the investment community are timely, accurate and broadly disseminated in accordance with all applicable legal requirements.

BOARD OF DIRECTORS

TransForce is governed by its Board of Directors, which is elected annually by the shareholders. The Board of Directors currently has nine members, of whom the majority are defined as independent and one is management. The Board of Directors also has its own governing charter and appoints a Lead Director whose role is to provide leadership in ensuring the effectiveness of the Board of Directors.

BOARD COMMITTEES

The Board of Directors has established three committees to assist with the analysis of issues and allow more time for the full Board of Directors to discuss and debate business matters. Each committee is governed by its own charter, which is reviewed on a yearly basis.

Audit Committee

The Audit Committee was established to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing, with its auditors, the financial reports and other financial information provided to the public, the internal controls regarding finance and accounting, and the Corporation’s auditing, accounting and financial reporting processes. The committee consists of three independent Directors.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee consists of three independent Board members, appointed annually. Its responsibilities are governed by a written mandate and include:

- Oversee the Corporation’s management succession plan
- Assess the Corporation’s performance and compensation plans for named executive officers
- Review human resources practices and performance
- Review executive compensation disclosure

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee consists of four Board members, appointed annually, who are all independent Directors.

The Committee has authority and responsibility for a number of areas provided in its charter including:

- Recruiting and forming Board members and assess their respective skills and effectiveness of the Board of Directors
- Ensure that current and effective governance practices are in place, including overseeing compliance with the Code and Disclosure Policy
- Direct and approve the Corporation’s compensation of its Board members

POLICIES

In addition to the Code and the Disclosure Policy, the Board of Directors has implemented the following:

- Rules of Conduct of Insiders Respecting Trading of Securities of TransForce Inc.
- Whistleblower Policy
- Minimum Shareholding Policies for Directors and for Executive Officers
- Privacy Policy
- Clawback Policy
- Anti-Hedging Policy
- Majority Voting Policy

CORPORATE DIRECTORY

CORPORATE TEAM

Alain Bédard,
FCPA, FCA
Chairman of the Board,
President and CEO

Gregory W. Rumble,
CPA, CA
Executive Vice-President and
Chief Financial Officer

Daniel Auger, ENG
Vice-President,
Information Technologies

Johanne Dean
Vice-President, Marketing
and Communications

Sylvain Desaulniers, CIRC
Vice-President,
Human Resources

Josiane-M. Langlois, LL.M.
Vice-President, Legal Affairs
and Corporate Secretary

Chantal Martel, LL.B.
Vice-President,
Insurance and Compliance

Martin Quesnel,
CPA, CA
Vice-President, Finance

Margaret Smith,
CPA, CA
Vice-President, Finance –
Operations Support

Ken Tourangeau,
CPA, CA
Vice-President,
Finance and Control

EXECUTIVE TEAM

Jean-François Dodier,
CPA, CMA
Executive Vice-President

Louis Gagnon
Executive Vice-President

Brian Kohut
Executive Vice-President

Robert McGonigal
Executive Vice-President

Rob O'Reilly
Executive Vice-President

Keith Klein
President,
Transport America

Scott Leveridge
President,
Dynamex (U.S.)

PACKAGE & COURIER

Same-Day/Last Mile Delivery

All Canadian Courier
Roger Sandhu
VP & General Manager

Dynamex (U.S.)
Scott Leveridge
President

Dynamex (Canada)
Chris Higham
VP & General Manager

Ensenda
Christopher Miller
Vice-President, Operations

Hazen Final Mile
Richard Palmer
VP & General Manager

Next-Day Delivery

Canpar Courier
Brian Kohut
Executive Vice-President

ICS Courier
Ping Yan
Senior VP, Operations

Loomis Express
Rick Hashie
President

TForce Integrated Solutions
Rick Hashie
President

LESS-THAN-TRUCKLOAD

Intermodal

Clarke Transport
Darell Hornby
President

Quiktrax Intermodal
Rob O'Reilly
Executive Vice-President

Vitran
Tony Trichilo
President

Over-the-road

Canadian Freightways
Robert McGonigal
Executive Vice-President

Concord
Rick Hashie
President

Kingsway
Christian Gendreau
General Manager

La Crete Transport
Jake Fehr
General Manager

McMurray Serv-U Expediting
Elvis Penton
General Manager

Quik X Transportation
Rob O'Reilly
Executive Vice-President

Tripax Transportation
Don Burditt
General Manager

TST Overland Express
Paul Bomben
Vice-President, Operations

TRUCKLOAD

Conventional

A&M International & Ganeca
Yvan Lapointe
General Manager

Besner
Jean-François Dodier
Executive Vice-President

Clarke Road Transport
Jim Langille
VP & General Manager

Couture
Serge Poulin
General Manager

Grégoire
Caroline Francoeur
Assistant General Manager

Highland
Terry Gardiner
VP & General Manager

J.C. Germain
Jean-Claude Germain
President

Laidlaw Carriers Van
Laban Herr
Vice-President

Papineau International
Philippe Papineau
General Manager

Roadfast
John Brodigan
General Manager

Transport America
Keith Klein
President

TST Truckload &
TST Load Brokerage
Jeff Laforet
VP & General Manager

CORPORATE DIRECTORY

TRUCKLOAD

Specialized

Bergeron André Bergeron VP & General Manager	McArthur Express David Wyville VP & General Manager	CONTRANS – Bulk Operations Group Scott Talbot , Vice-President		
Clarke Road Transport Darell Hornby President	Nordique Philippe Papineau General Manager	ECL Carriers Scott Talbot Vice-President	Laidlaw Carriers Bulk Scott Talbot Vice-President Andrew Chittick General Manager / Ontario Pierre Labarre General Manager / Quebec	Peter Hodge Transport David Peddie General Manager
Durocher International Steve Lamontagne General Manager	P&W Intermodal & MTMX Mark Joczys General Manager	CONTRANS – Flatbed Operations Group Steve Brookshaw , Vice-President		
E.L. Farmer David Musgraves President	Rebel Transport Justin Paul General Manager	Brookville Carriers Flatbed Harm Singh General Manager	Contrans Flatbed Steve Brookshaw Vice-President	Tri-Line Carriers Steve Brookshaw Vice-President
GHL Transport & Mirabel Logistics Patrick Sarrazin General Manager	TF Truckload & Logistics Justin Paul General Manager	CONTRANS – Tank Operations Group Dave Golton , Vice-President		
Golden International Martin Godbout General Manager	Trans4 Dedicated Brenda Everitt VP & General Manager	Archer Trucking Dan Roberts General Manager	Glen Tay Transport Dan Roberts General Manager	Laidlaw Carriers Tank Dave Houze Assistant General Manager
Highland Intermodal Terry Gardiner VP & General Manager	TST Expedited & TST Air Jeff Laforet VP & General Manager			
JAF André Gosselin General Manager	Westfreight Services Donnalea Dolan VP & General Manager			
Kingsway Bulk Junior Roy President	Winalta Ian McKinley Manager			

LOGISTICS

CK Logistics Connie Roberts President	E&L Logistics Albert Léger President	Patriot Freight Services Chris Todd Director	St-Lambert Éric Bédard Director	TLS Trailer Leasing Services Norman Brazeau VP & General Manager
Clarke North America Timothy Drake Vice-President	Kobelt Transportation Chris Forsythe President	Quik X Logistics & Axiom Warehousing Barry Stevens Director	Stream Logistics Rick Baird General Manager	
Cornerstone Logistics William Oliver Vice-President	Optimal Freight Noam Frankel President			

CORPORATE INFORMATION

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Montreal, Quebec H4S 1Z6
Telephone: 514 331-4000
Fax: 514 337-4200
Web site: www.transforcecompany.com
E-mail: administration@transforcecompany.com

AUDITORS

KPMG LLP

STOCK EXCHANGE LISTING

TransForce Inc. shares are listed on the Toronto Stock Exchange under the symbol TFI and on the OTCQX marketplace in the U.S. under the symbol TFIFF.

FINANCIAL INSTITUTIONS

National Bank of Canada
Royal Bank of Canada
Bank of America Merrill Lynch
The Bank of Nova Scotia
Bank of Montreal
Caisse Centrale Desjardins
Investissement Québec
Business Development Bank of Canada (BDC)
Canadian Imperial Bank of Commerce
Toronto Dominion Bank
Bank Of Tokyo-Mitsubishi UFJ (Canada)
HSBC Bank Canada
Alberta Treasury Branch
Canadian Western Bank

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada
100 University Avenue, 8th floor
Toronto, Ontario M5J 2Y1
Telephone: 416 263-9200
1 800 564-6253
Fax: 1 888 453-0330

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Wednesday, April 20, 2016
at 1:30 p.m.
The Exchange Tower
130 King Street West
Toronto, ON
M5X 1J2

DESIGNED AND WRITTEN BY

MaisonBrison Communications

*Si vous désirez recevoir la version française de ce rapport, veuillez écrire au secrétaire de la société :
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www.transforcecompany.com