CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first quarter ended
March 31, 2016

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TransForce Inc. **CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)**

(in thousands of Canadian dollars)	Note	**As at March 31, 2016**	As at December 31, 2015
Assets			
Trade and other receivables		**476,807**	507,872
Inventoried supplies		**6,264**	7,073
Current taxes recoverable		**-**	14,976
Prepaid expenses		**28,377**	29,961
Derivative financial instruments	17	**-**	11,375
Assets held for sale	6	**24,457**	27,746
Disposal group held for sale	6	**-**	219,403
Current assets		**535,905**	818,406
Property and equipment	7	**963,826**	981,861
Intangible assets	8	**1,523,547**	1,562,500
Other assets	9	**31,886**	8,143
Deferred tax assets		**7,290**	6,960
Non-current assets		**2,526,549**	2,559,464
Total assets		**3,062,454**	3,377,870
Liabilities			
Bank indebtedness		**30,041**	19,112
Trade and other payables		**383,316**	427,731
Current taxes payable		**48,160**	13,630
Derivative financial instruments	17	**4,939**	3,063
Long-term debt	10	**46,357**	604,789
Current liabilities		**512,813**	1,068,325
Long-term debt	10	**836,272**	1,010,311
Employee benefits		**13,710**	13,761
Provisions		**10,605**	10,758
Derivative financial instruments	17	**15,780**	9,579
Deferred tax liabilities		**228,161**	234,823
Other financial liability		**2,802**	2,941
Non-current liabilities		**1,107,330**	1,282,173
Total liabilities		**1,620,143**	2,350,498
Equity			
Share capital	11	**742,563**	764,343
Contributed surplus		**18,836**	17,819
Accumulated other comprehensive income		**35,729**	46,542
Retained earnings		**645,183**	198,668
Equity attributable to owners of the Company		**1,442,311**	1,027,372
Operating leases, contingencies and letters of credit	18		
Total liabilities and equity		**3,062,454**	3,377,870

The notes on pages 6 to 22 are an integral part of these condensed consolidated interim financial statements.

TransForce Inc. **CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**

(In thousands of Canadian dollars, except per share amounts)	Note	**Three months ended Mar. 31, 2016**	Three months ended Mar. 31, 2015*
Revenue		**866,728**	858,031
Fuel surcharge		**67,471**	105,545
		934,199	963,576
Materials and services expenses	14	**549,869**	581,676
Personnel expenses	14	**238,298**	236,181
Other operating expenses	14	**63,486**	60,598
		851,653	878,455
Income before the following:		**82,546**	85,121
Depreciation of property and equipment	14	**32,474**	31,719
Amortization of intangible assets	14	**13,127**	11,333
Gain on sale of property and equipment	14	**(3,339)**	(1,889)
Operating income		**40,284**	43,958
Finance income	15	**(1,261)**	-
Finance costs	15	**25,376**	26,516
Net finance costs		**24,115**	26,516
Income before income tax		**16,169**	17,442
Income tax expense	16	**847**	4,452
Net income from continuing operations		**15,322**	12,990
Net income from discontinued operations	6	**488,309**	1,055
Net income for the period attributable to owners of the Company		**503,631**	14,045
Earnings per share			
Basic earnings per share	12	**5.16**	0.14
Diluted earnings per share	12	**5.09**	0.13
Earnings per share from continuing operations			
Basic earnings per share	12	**0.16**	0.13
Diluted earnings per share	12	**0.15**	0.12

(*) Restated (see note 6)

The notes on pages 6 to 22 are an integral part of these condensed consolidated interim financial statements.

TransForce Inc. CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(In thousands of Canadian dollars)

	Three months ended Mar. 31, 2016	Three months ended Mar. 31, 2015
Net income for the period attributable to owners of the Company	**503,631**	14,045
Other comprehensive income (loss)		
Items that may be reclassified to income or loss in future periods:		
Foreign currency translation differences	**(44,605)**	58,018
Net investment hedge, net of tax	**32,922**	(56,044)
Unrealized gain on investment in equity securities, net of tax	**870**	-
Other comprehensive income (loss) for the period, net of tax	**(10,813)**	1,974
Total comprehensive income for the period attributable to owners of the Company	**492,818**	16,019

The notes on pages 6 to 22 are an integral part of these condensed consolidated interim financial statements.

(In thousands of Canadian dollars)	Note	Share capital	Contributed surplus	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, 2015		**764,343**	**17,819**	**46,542**	**-**	**198,668**	**1,027,372**
Net income for the period		**-**	**-**	**-**	**-**	**503,631**	**503,631**
Other comprehensive income (loss) for the period, net of tax		**-**	**-**	**(11,683)**	**870**	**-**	**(10,813)**
Total comprehensive income (loss) for the period		**-**	**-**	**(11,683)**	**870**	**503,631**	**492,818**
Share-based payment transactions	13	**-**	**1,356**	**-**	**-**	**-**	**1,356**
Stock options exercised	11, 13	**842**	**(193)**	**-**	**-**	**-**	**649**
Dividends to owners of the Company		**-**	**-**	**-**	**-**	**(16,144)**	**(16,144)**
Repurchase of own shares	11	**(22,622)**	**-**	**-**	**-**	**(40,981)**	**(63,603)**
Restricted share units exercised	13	**-**	**(146)**	**-**	**-**	**9**	**(137)**
Total transactions with owners, recorded directly in equity		**(21,780)**	**1,017**	**-**	**-**	**(57,116)**	**(77,879)**
Balance as at March 31, 2016		**742,563**	**18,836**	**34,859**	**870**	**645,183**	**1,442,311**
Balance as at December 31, 2014		799,100	14,333	28,649	-	187,331	1,029,413
Net income for the period		-	-	-	-	14,045	14,045
Other comprehensive income for the period, net of tax		-	-	1,974	-	-	1,974
Total comprehensive income for the period		-	-	1,974	-	14,045	16,019
Share-based payment transactions	13	-	959	-	-	-	959
Stock options exercised	11, 13	1,876	(432)	-	-	-	1,444
Warrants exercised	11	240	(240)	-	-	-	-
Dividends to owners of the Company		-	-	-	-	(17,413)	(17,413)
Total transactions with owners, recorded directly in equity		2,116	287	-	-	(17,413)	(15,010)
Balance as at March 31, 2015		801,216	14,620	30,623	-	183,963	1,030,422

The notes on pages 6 to 22 are an integral part of these condensed consolidated interim financial statements.

TransForce Inc. **CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

(In thousands of Canadian dollars)

	Note	**Three months ended Mar. 31, 2016**	Three months ended Mar. 31, 2015*
Cash flows from (used in) operating activities			
Net income for the period attributable to owners of the company		**503,631**	14,045
Net income from discontinued operations		**488,309**	1,055
Net income from continuing operations		**15,322**	12,990
Adjustments for			
Depreciation of property and equipment		**32,474**	31,719
Amortization of intangible assets		**13,127**	11,333
Share-based payment transactions		**1,356**	959
Net finance costs		**24,115**	26,516
Income tax expense		**847**	4,452
Gain on sale of property and equipment		**(3,339)**	(1,889)
Employee benefits and provisions		**29**	361
		83,931	86,441
Net change in non-cash operating working capital		**(9,379)**	2,682
Cash generated from operating activities		**74,552**	89,123
Interest paid		**(11,655)**	(15,942)
Income tax paid		**(22,246)**	(24,177)
Net realized loss on derivatives		**(407)**	(1,578)
Net cash from continuing operations		**40,244**	47,426
Net cash (used in) from discontinued operations		**(2,724)**	22,903
		37,520	70,329
Cash flows from (used in) investing activities			
Purchases of property and equipment		**(29,122)**	(37,032)
Proceeds from sale of property and equipment		**13,544**	8,316
Purchases of intangible assets		**(159)**	(198)
Business combinations, net of cash acquired		**(14,618)**	-
Proceeds from sale of business	6	**758,874**	-
Others		**(5,440)**	277
Net cash from (used in) investing activities from continuing operations		**723,079**	(28,637)
Net cash used in investing activities from discontinued operations		**(782)**	(1,504)
		722,297	(30,141)
Cash flows from (used in) financing activities			
Increase in bank indebtedness		**12,438**	11,081
Proceeds from long-term debt		**12,803**	13,335
Repayment of long-term debt		**(705,369)**	(47,853)
Dividends paid		**(16,598)**	(17,395)
Repurchase of own shares		**(63,603)**	-
Proceeds from exercise of stock options		**649**	1,444
Payment of restricted share units		**(137)**	-
Net cash used in financing activities from continuing operations		**(759,817)**	(39,388)
Net cash used in financing activities from discontinued operations		**-**	(800)
		(759,817)	(40,188)
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 6 to 22 are an integral part of these condensed consolidated interim financial statements.

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 condensed consolidated interim financial statements of the Company as at and for the periods ended March 31, 2016 and 2015 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 condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and with IAS 34 Interim Financial Reporting. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the most recent annual consolidated financial statements of the Group.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on April 20, 2016.

b) Basis of measurement

These condensed consolidated interim 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) Seasonality of interim operations

The activities conducted by the Group 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. Consequently, the results of operations for the interim period are not necessarily indicative of the results of operations for the full year.

d) Functional and presentation currency

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

e) 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, 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.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied and described in the Group's 2015 annual consolidated financial statements.

3. Significant accounting policies

The accounting policies described in the Group's 2015 annual consolidated financial statements have been applied consistently to all periods presented in these condensed consolidated interim financial statements, unless otherwise indicated. The accounting policies have been applied consistently by Group entities.

New standards and interpretations 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, 2016 and have been applied in preparing these condensed consolidated interim financial statements:

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 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 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;

Adoption of the amendments from the Annual Improvements to IFRS (2012-2014 cycle) did not have a material impact on the Group's condensed consolidated interim financial statements.

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. Adoption of Disclosure Initiative: Amendments to IAS 1 did not have a material impact on the Group's condensed consolidated interim financial statements.

New standards and interpretations not yet adopted

The following new standards are not yet effective for the year ending December 31, 2016, and have not been applied in preparing these condensed consolidated interim 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.

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2016 AND 2015 - (UNAUDITED)

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 9 (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.

IFRS 16, Leases – In January 2016, the IASB issued IFRS 16, Leases, which will replace IAS 17, Leases. The standard will require all leases of more than 12 months to be reported on a Company's statement of financial position as assets and liabilities. The new standard is effective for fiscal years beginning on or after January 1, 2019 and is available for early adoption for Companies that also app*ly IFRS 15, Revenue from Contracts with Customers*. The Company has not yet assessed the impact of adoption of IFRS 16 and does not intend to early adopt IFRS 16 in its consolidated financial statements.

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. The reportable segments are managed independently as they require different technology and capital resources. 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 segments. These operating segments have similar cost structures and are evaluated using the same key performance indicators.

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.

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2016 AND 2015 - (UNAUDITED)

	Package and Courier	Less-Than-Truckload	Truckload	Logistics (*)	Corporate	Eliminations	Total
Three months ended March 31, 2016							
External revenue	**334,464**	**189,826**	**357,012**	**52,897**	**-**	**-**	**934,199**
Inter-segment revenue	**1,667**	**4,145**	**6,299**	**2,463**	**-**	**(14,574)**	**-**
Total revenue	**336,131**	**193,971**	**363,311**	**55,360**	**-**	**(14,574)**	**934,199**
Depreciation and amortization	**8,878**	**7,294**	**28,001**	**944**	**484**	**-**	**45,601**
Operating income (loss)	**17,876**	**4,160**	**20,575**	**4,192**	**(6,519)**	**-**	**40,284**
Intangible assets	**451,109**	**214,738**	**759,738**	**95,694**	**2,268**	**-**	**1,523,547**
Total assets	**708,991**	**627,684**	**1,535,409**	**134,205**	**28,672**	**-**	**3,034,961**
Total liabilities	**154,362**	**139,754**	**290,617**	**16,261**	**1,012,020**	**-**	**1,613,014**
Additions to property and equipment	**6,208**	**3,328**	**19,470**	**-**	**116**	**-**	**29,122**
Three months ended March 31, 2015(*)							
External revenue	310,220	209,565	382,009	61,782	-	-	963,576
Inter-segment revenue	1,546	4,276	8,885	2,021	-	(16,728)	-
Total revenue	311,766	213,841	390,894	63,803	-	(16,728)	963,576
Depreciation and amortization	8,115	7,989	25,494	975	479	-	43,052
Operating income (loss)	14,743	3,025	25,581	5,580	(4,971)	-	43,958
Intangible assets	425,252	223,290	766,739	89,618	2,360	-	1,507,259
Total assets	664,769	695,164	1,556,812	146,512	28,748	-	3,092,005
Total liabilities	146,028	153,075	283,780	34,122	1,715,076	-	2,332,081
Additions to property and equipment	3,816	8,587	23,274	808	547	-	37,032

(*) 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.

	Three months ended March 31, 2016	Three months ended March 31, 2015*
Revenue		
Canada	**568,546**	609,519
United States	**365,653**	354,057
	934,199	963,576
	As at March 31, 2016	As at December 31, 2015
Property and equipment and intangible assets		
Canada	**1,762,638**	1,755,198
United States	**724,735**	789,163
	2,487,373	2,544,361

(*) Restated (see note 6)

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2016 AND 2015 - (UNAUDITED)

5. Business combinations

a) Business combinations

In line with the Group's growth strategy, the Group acquired three businesses during 2016 and none were considered significant.

As of the reporting date, the Group had not completed the purchase price allocation over the identifiable net assets and goodwill of these business combinations. 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	**2016**
Cash and cash equivalents		**133**
Trade and other receivables		**350**
Inventoried supplies and prepaid expenses		**30**
Property and equipment	7	**9,746**
Intangible assets	8	**2,621**
Trade and other payables		**(234)**
Income tax payable		**(114)**
Long-term debt		**(1,686)**
Deferred tax liabilities		**(237)**
Total identifiable net assets		**10,609**
Total consideration transferred		**14,751**
Goodwill	8	**4,142**

Of the goodwill and intangible assets acquired through business combinations in 2016, $3.2 million is deductible for tax purposes.

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

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 the specialized Truckload operating segment, which represents the lowest level at which goodwill is monitored internally.

6. Discontinued operations

a) Discontinued operations

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

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2016 AND 2015 - (UNAUDITED)

The following table presents the net income (loss) from discontinued operations:

	Three months ended March 31, 2016			Three months ended March 31, 2015		
	Waste	**Rig moving**	**Total**	Waste	Rig Moving	Total
Revenue	**14,340**	**304**	**14,644**	41,197	27,003	68,200
Expenses	**15,630**	**1,838**	**17,468**	34,859	32,614	67,473
	(1,290)	**(1,534)**	**(2,824)**	6,338	(5,611)	727
Gain on the sale of Waste [(1)]	**559,246**	**-**	**559,246**	-	-	-
Income (loss) before income tax	**557,956**	**(1,534)**	**556,422**	6,338	(5,611)	727
Income tax expense (recovery)	**68,578**	**(465)**	**68,113**	1,693	(2,021)	(328)
Net income (loss) from discontinued operations	**489,378**	**(1,069)**	**488,309**	4,645	(3,590)	1,055
Earnings per share from discontinued operations						
Basic earnings (loss) per share	**5.01**	**(0.01)**	**5.00**	0.05	(0.04)	0.01
Diluted earnings (loss) per share	**4.94**	**(0.01)**	**4.93**	0.04	(0.03)	0.01
Additional information:						
Depreciation of property and equipment	**2,256**	**-**	**2,256**	5,137	2,741	7,878

(1) See note b

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

	As at March 31, 2016			As at December 31, 2015		
	Waste	**Rig Moving**	**Total**	Waste	Rig Moving	Total
Current assets	**-**	**27,493**	**27,493**	37,898	29,184	67,082
Non-current assets	**-**	**-**	**-**	266,443	-	266,443
Current liabilities	**-**	**(7,129)**	**(7,129)**	(28,577)	(6,048)	(34,625)
Non-current liabilities	**-**	**-**	**-**	(56,361)	-	(56,361)

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2016 AND 2015 - (UNAUDITED)

b) Sale of the Waste Management segment

On February 1, 2016, the Company completed the sale of its Waste Management segment ("Waste") to GFL Environmental Inc., headquartered in Toronto, Ontario, for a sale price of $800 million. At closing, GFL paid $758.9 million to the Company net of closing adjustments, and issued an unsecured promissory note to the Company in an amount of $25 million, payable in four years and bearing interest at an annual rate of 3%. The table below presents the reconciliation of the gain on the sale of the Waste Management.

	Note	2016
Sale price		**800,000**
Closing adjustment to sale price	i	**(16,124)**
Net sale price		**783,876**
Trade and other receivables		**34,014**
Inventoried supplies and prepaid expenses		**4,366**
Property and equipment		**140,089**
Intangible assets		**93,408**
Goodwill		**22,369**
Other assets		**9,576**
Bank indebtedness		**(6,018)**
Trade and other payables		**(16,576)**
Income taxes payable		**(3,956)**
Provisions		**(26,544)**
Long-term debt		**(7,235)**
Deferred tax liabilities		**(26,398)**
Total identifiable net assets		**217,095**
Fair value adjustment to the promissory note	ii	**(7,535)**
Gain on sale of Waste		**559,246**
Income tax on gain on disposal	iii	**(68,475)**
Gain on sale of Waste, net of tax		**490,771**
Net sale price is paid as follow:		
Cash consideration received		**758,876**
Promissory note issued	ii	**25,000**
		783,876

i) Closing adjustments to the sale price includes an assumed lease amount of $0.7 million, closure and post-closure costs of $9.1 million, working capital adjustment of $2.4 million and income taxes payable of $4.0 million.

ii) The fair value adjustment to the promissory note has been calculated with a discount rate of 12% over 4 years based on the specific risk of the business.

iii) The gain of $559.2 million on the sale of Waste generated an income tax expense $68.5 million which represents an effective tax rate of 12.2% largely explained by the capital nature of the transaction.

Certain comparative figures have been restated to exclude the impact of discontinued operations.

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2016 AND 2015 - (UNAUDITED)

7. Property and equipment

	Land and buildings	Rolling stock	Equipment	Total
Cost				
Balance at December 31, 2015	424,593	908,662	149,482	**1,482,737**
Additions	2,220	24,149	2,753	**29,122**
Business combinations	-	9,712	34	**9,746**
Disposals	(3,137)	(17,470)	(6,235)	**(26,842)**
Reclassification to assets held for sale	-	(110)	-	**(110)**
Effect of movements in exchange rates	(1,568)	(14,442)	(752)	**(16,762)**
Balance at March 31, 2016	**422,108**	**910,501**	**145,282**	**1,477,891**
Depreciation				
Balance at December 31, 2015	67,620	341,707	91,549	**500,876**
Depreciation for the period	2,677	26,141	3,656	**32,474**
Disposals	1,030	(11,899)	(6,197)	**(17,066)**
Reclassification to assets held for sale	-	(71)	-	**(71)**
Effect of movements in exchange rates	(371)	(1,460)	(317)	**(2,148)**
Balance at March 31, 2016	**70,956**	**354,418**	**88,691**	**514,065**
Net carrying amounts				
At December 31, 2015	356,973	566,955	57,933	981,861
At March 31, 2016	**351,152**	**556,083**	**56,591**	**963,826**

8. Intangible assets

		Other intangible assets				
Net carrying amounts	Goodwill	Customer relationships	Trademarks	Non-compete agreements and permits	Information technology	**Total**
Balance at December 31, 2015	1,147,311	344,768	59,215	1,787	9,419	**1,562,500**
Business combinations	4,142	2,241	170	210	-	**6,763**
Additions	-	-	-	-	159	**159**
Amortization	-	(10,137)	(1,658)	(176)	(1,156)	**(13,127)**
Effect of movements in exchange rates	(22,863)	(7,973)	(1,634)	(81)	(197)	**(32,748)**
Balance at March 31, 2016	**1,128,590**	**328,899**	**56,093**	**1,740**	**8,225**	**1,523,547**

9. Other assets

	As at March 31, 2016	As at December 31, 2015
Promissory note	**17,728**	-
Investments	**6,196**	-
Restricted cash	**4,298**	4,300
Security deposits	**3,641**	3,820
Other	**23**	23
	31,886	8,143

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2016 AND 2015 - (UNAUDITED)

10. Long-term debt

	As at March 31, 2016	As at December 31, 2015
Non-current liabilities		
Revolving facility	**626,435**	801,152
Unsecured debentures	**124,388**	124,334
Conditional sales contracts	**38,691**	34,985
Finance lease liabilities	**20,232**	23,111
Other long-term debt	**26,526**	26,729
	836,272	1,010,311
Current liabilities		
Current portion of conditional sales contracts	**26,283**	24,543
Current portion of finance lease liabilities	**14,281**	15,327
Current portion of other long-term debt	**5,793**	5,784
Current portion of term loans	**-**	559,135
	46,357	604,789

The term loans were repaid in their entirety with proceeds generated from the sale of Waste.

11. Share capital

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 following table summarizes the number of common shares issued.

(in number of shares)	Note	**Three months ended Mar. 31, 2016**	Three months ended Mar. 31, 2015
Balance, beginning of period		**97,632,502**	102,323,968
Repurchase and cancellation of own shares - Substantial issuer bid		**(2,699,924)**	-
Repurchase and cancellation of own shares		**(188,400)**	-
Stock options exercised	13	**37,234**	90,971
Warrants exercised		**-**	12,332
Balance, end of period		**94,781,412**	102,427,271

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

	Three months ended Mar. 31, 2016	Three months ended Mar. 31, 2015
Balance, beginning of period	**764,343**	799,100
Repurchase and cancellation of own shares	**(22,622)**	-
Cash consideration of stock options exercised	**649**	1,444
Ascribed value credited to share capital on stock options exercised	**193**	432
Ascribed value credited to share capital on warrants exercised	**-**	240
Balance, end of period	**742,563**	801,216

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 March 31, 2016, and since the inception of this NCIB, the Company has repurchased and cancelled 498,400 common shares under this NCIB.

During the three months ended March 31, 2016, the Company repurchased 188,400 common shares at a price ranging from $22.20 to $22.40 per share for a total purchase price of $4.2 million relating to the NCIB. The excess of the purchase price paid over the carrying value of the shares repurchased in the amount of $2.7 million was charged to retained earnings as share repurchase premium. During the three months ended March 31, 2015, the Company did not repurchase any common shares.

During the three months ended March 31, 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. 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 March 31, 2016, there were no outstanding warrants.

On February 11, 2016, the Company announced a substantial issuer bid (“SIB”) to purchase, for cancellation, up to 10 million common shares for an aggregate purchase price not to exceed $220 million (the ‘Offer’).The Offer was made by way of a "modified Dutch Auction" pursuant to which shareholders may tender all or a portion of their shares (i) at a price not less than $19.00 and not more than $22.00 per share, in increments of $0.10 per share, or (ii) without specifying a purchase price, in which case their shares would be purchased at the purchase price determined in accordance with the Offer.

The offer expired on March 28, 2016. The Company purchased and cancelled 2,699,924 common shares at a price of $22.00 per share, for a total purchase price of $59.4 million relating to this SIB. The excess of the purchase price paid over the carrying value of the shares repurchased in the amount of $38.3 million was charged to retained earnings as share repurchase premium.

12. 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:

(in thousands of dollars and number of shares)	**Three months ended Mar. 31, 2016**	Three months ended Mar. 31, 2015*
Net income attributable to owners of the Company	**503,631**	14,045
Net income from continuing operations	**15,322**	12,990
Issued common shares, beginning of period	**97,632,502**	102,323,968
Effect of stock options and warrants exercised	**20,480**	51,652
Effect of repurchase of own shares	**(33,886)**	-
Weighted average number of common shares	**97,619,096**	102,375,620
Earnings per share – basic	**5.16**	0.14
Earnings per share from continuing operations – basic	**0.16**	0.13

* 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:

(in thousands of dollars and number of shares)	**Three months ended Mar. 31, 2016**	Three months ended Mar. 31, 2015
Net income attributable to owners of the Company	**503,631**	14,045
Dilutive effect	**-**	-
Net income attributable to owners of the Company, adjusted for dilution effect	**503,631**	14,045
Net income from continuing operations adjusted for dilution effect	**15,322**	12,990
Weighted average number of common shares	**97,619,096**	102,375,620
Dilutive effect:		
Stock options, restricted share units and warrants	**1,355,674**	2,009,903
Weighted average number of diluted common shares	**98,974,770**	104,385,523
Earnings per share - diluted	**5.09**	0.13
Earnings per share from continuing operations - diluted	**0.15**	0.12

* Restated (see note 6)

As at March 31, 2016, 1,362,393 stock options were excluded from the calculation of diluted earnings per share as these options were deemed to be anti-dilutive (2015 – nil).

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.

13. 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:

(in thousands of options and in dollars)		**Three months ended Mar. 31, 2016**		Three months ended Mar. 31, 2015
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance, beginning of period	**4,934**	**16.67**	4,193	14.93
Exercised	**(37)**	**17.44**	(91)	15.87
Balance, end of period	**4,897**	**16.66**	4,102	14.90
Options exercisable, end of period	**3,414**	**13.43**	2,751	11.86

The following table summarizes information about stock options outstanding and exercisable at March 31, 2016:

(in thousands of options and in dollars)	Options outstanding		Options exercisable
Exercise prices	Number of options	Weighted average remaining contractual life (in years)	Number of options
6.32	749	3.3	749
9.46	660	4.3	660
14.28	587	2.3	587
16.46	772	3.3	772
20.18	767	4.3	494
24.93	908	6.3	-
25.14	454	5.3	152
	4,897	4.2	3,414

Of the options outstanding at March 31, 2016, a total of 4,018,795 (December 31, 2015 – 4,020,595) are held by key management personnel.

The weighted average share price at the date of exercise for stock options exercised in the three months ended March 31, 2016 was $22.64 (2015 – $30.16).

For the three months ended March 31, 2016, the Group recognized a compensation expense of $0.8 million, (2015 – $0.8 million) with a corresponding increase to contributed surplus.

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)	**Three months ended Mar. 31, 2016**	Three months ended Mar. 31, 2015
Balance, beginning of period	**255,053**	217,557
Board members compensation	**10,925**	5,126
Dividends paid in units	**1,917**	1,228
Balance, end of period	**267,895**	223,911

For the three months ended March 31, 2016, the Group recognized, as a result of deferred share units, a compensation expense of $0.3 million (2015 - $0.2 million) with a corresponding increase to trade and other payables.

As at March 31, 2016, the total carrying amount of liabilities for cash-settled arrangements recorded in trade and other payables amounted to $6.0 million (December 31, 2015 - $6.0 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.

The table below summarizes changes to the outstanding RSUs:

(in thousands of RSUs and in dollars)	**Three months ended Mar. 31, 2016**		Three months ended Mar. 31, 2015	
	Number of RSUs	**Weighted average exercise price**	Number of RSUs	Weighted average exercise price
Balance, beginning of period	**224**	**25.01**	83	25.14
Reinvested	**2**	**25.00**	-	-
Exercised	**(7)**	**24.99**	-	-
Balance, end of period	**219**	**25.01**	83	25.14

The following table summarizes information about RSUs outstanding and exercisable as at March 31, 2016:

(in thousands of RSUs and in dollars)	RSUs outstanding	
Exercise prices	Number of RSUs	Remaining contractual life (in years)
24.93	141	2.3
25.14	78	1.3
	219	

For the three months ended March 31, 2016, the Group recognized as a result of RSUs a compensation expense of $0.5 million, (2015 - $0.2 million) with a corresponding increase to contributed surplus.

Of the RSUs outstanding at March 31, 2016, a total of 154,359 (December 31, 2015 – 153,207) are held by key management personnel.

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2016 AND 2015 - (UNAUDITED)

14. 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.

	Three months ended Mar. 31, 2016	Three months ended Mar. 31, 2015*
Materials and services expenses		
Independent contractors	**415,500**	424,865
Vehicle operation expenses	**134,369**	156,811
	549,869	581,676
Personnel expenses	**238,298**	236,181
Other operating expenses	**63,486**	60,598
Depreciation of property and equipment	**32,474**	31,719
Amortization of intangible assets	**13,127**	11,333
Gain on sale of property and equipment	**(3,339)**	(1,889)
	893,915	919,618

(*) Restated (see note 6)

15. Finance income and finance costs

Recognized in income or loss:

(Income) costs	**Three months ended Mar. 31, 2016**	Three months ended Mar. 31, 2015*
Interest expense on long-term debt	**12,695**	15,014
Interest income and accretion	**(470)**	-
Net foreign exchange loss	**2,202**	515
Net change in fair value of foreign exchange derivatives	**(791)**	5,869
Net change in fair value of interest rate derivatives	**9,275**	3,555
Other financial expenses	**1,204**	1,563
Net finance costs	**24,115**	26,516
Presented as:		
Finance income	**(1,261)**	-
Finance costs	**25,376**	26,516

(*) Restated (see note 6)

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2016 AND 2015 - (UNAUDITED)

16. Income tax expense

Income tax recognized in income or loss:

	Three months ended Mar. 31, 2016	Three months ended Mar. 31, 2015*
Current tax expense		
Current period	**1,329**	9,593
Adjustment for prior periods	**-**	446
	1,329	10,039
Deferred tax expense		
Origination and reversal of temporary differences	**(483)**	(5,399)
Variation in tax rate	**16**	-
Adjustment for prior periods	**(15)**	(188)
	(482)	(5,587)
Income tax expense	**847**	4,452

* Restated (see note 6)

Reconciliation of effective tax rate:

		Three months ended Mar. 31, 2016		Three months ended Mar. 31, 2015*
Income before income tax		**16,169**		17,442
Income tax using the Company's statutory tax rate	**26.9%**	**4,350**	26.9%	4,691
Increase (decrease) resulting from:				
Rate differential between jurisdictions	**(16.8%)**	**(2,724)**	(10.2%)	(1,778)
Variation in tax rate	**0.1%**	**16**	0.0%	-
Non deductible expenses	**4.7%**	**754**	6.8%	1,190
Tax exempt income	**(10.7%)**	**(1,730)**	(0.2%)	(36)
Adjustment for prior periods	**(0.1%)**	**(14)**	1.5%	258
Others	**1.2%**	**195**	0.7%	127
	5.3%	**847**	25.5%	4,452

* Restated (see note 6)

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2016 AND 2015 - (UNAUDITED)

17. Financial Instruments

Derivative financial instruments' fair values were as follows:

	Note	**As at March 31, 2016**	As at December 31, 2015
Current assets			
Cross currency interest rate swap contracts		**-**	11,375
Current liabilities			
Foreign exchange derivatives		**-**	230
Contracts denominated in foreign currencies		**700**	700
Interest rate derivatives	a	**4,239**	2,133
		4,939	3,063
Non-current liabilities			
Contracts denominated in foreign currencies		**1,459**	2,427
Interest rate derivatives	a	**14,321**	7,152
		15,780	9,579

a) Interest rate risk

The Company'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.

The Company's interest rate derivatives are as follows:

	As at March 31, 2016			As at December 31, 2015		
	Average Libor rate	**Notional Contract Amount US$**	**Fair value CDN$**	Average Libor rate	Notional Contract Amount US$	Fair value CDN$
Coverage period:						
Less than 1 year	**1.62%**	**450,000**	**(4,239)**	1.58%	475,000	(2,133)
1 to 2 years	**1.92%**	**325,000**	**(3,753)**	1.85%	350,000	(1,831)
2 to 3 years	**1.92%**	**325,000**	**(3,753)**	1.92%	325,000	(1,794)
3 to 4 years	**1.92%**	**325,000**	**(3,753)**	1.92%	325,000	(1,794)
4 to 5 years	**1.88%**	**181,250**	**(1,867)**	1.89%	237,500	(1,139)
5 to 6 years	**1.92%**	**100,000**	**(956)**	1.92%	100,000	(382)
6 to 7 years	**1.92%**	**25,000**	**(239)**	1.92%	75,000	(212)
Liabilities			**(18,560)**			(9,285)
Presented as:						
Current liabilities			**(4,239)**			(2,133)
Non-current liabilities			**(14,321)**			(7,152)

(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) PERIODS ENDED MARCH 31, 2016 AND 2015 - (UNAUDITED)

18. Operating leases, 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:

	As at March 31, 2016	As at December, 31 2015
Less than 1 year	**120,719**	116,952
Between 1 and 5 years	**243,920**	237,951
More than 5 years	**116,332**	124,824
	480,971	479,727

During the three months ended March 31, 2016, an amount of $32.9 million was recognized as expenses in income or loss in respect of operating leases (2015 – $29.8 million).

b) 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.

c) Letters of credit

As at March 31, 2016, the Group had $33.3 million of outstanding letters of credit (December 31, 2015 - $32.6 million).