



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fourth quarter and year ended
December 31, 2015

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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

<i>(unaudited)</i> <i>(in thousands of dollars, except per share data)</i>	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%	

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.

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

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.

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

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.

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)

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%.

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

Finance income and costs

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	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

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:

<i>(unaudited)</i> <i>(in thousands of dollars, except per share data)</i>	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

<i>(unaudited)</i> <i>(in thousands of dollars, except per share data)</i>	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:

<i>(unaudited)</i> <i>(in thousands of dollars, except per share data)</i>	Total Revenue	EBITDA	Basic 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

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	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)

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.

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).

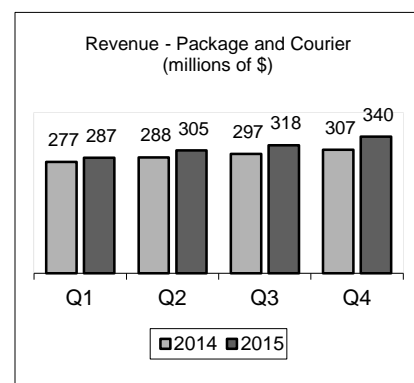
⁵ 2014 net capital expenditures include proceeds from the sale of properties for considerations of \$1.0 million in the Package and Courier (nil in Q4) and of \$57.3 million in the LTL (\$0.4 million in Q4).

Package and Courier

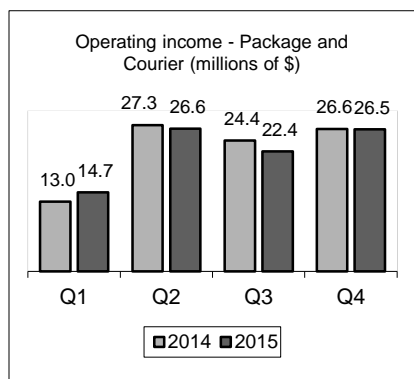
(unaudited) - (in thousands of dollars)	Fourth quarters ended December 31				Years ended December 31			
	2015	%	2014	%	2015	%	2014	%
	Total revenue	362,782		341,755		1,347,823		1,303,768
Fuel surcharge	(22,659)		(34,736)		(98,021)		(134,766)	
Revenue	340,123	100.0%	307,019	100.0%	1,249,802	100.0%	1,169,002	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 and year ended December 31, 2015, operating expenses from Package and Courier activities for Q4 2015 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 Cyopeck 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

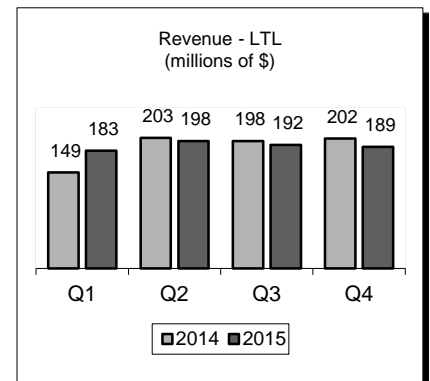
Package and Courier operating income for the three-month period ended December 31, 2015 was consistent with prior year at \$26.5 million and the operating margin decreased to 7.8%, down 90 basis points from last year's comparable period. For the twelve-month period ended December 31, 2015, operating 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.

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%
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%

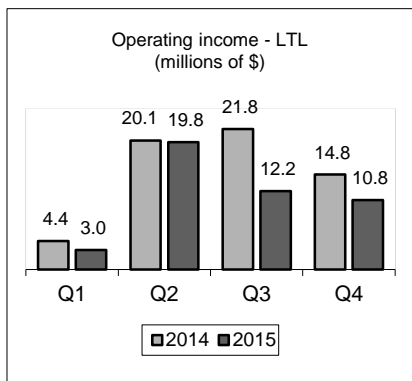
Revenue

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

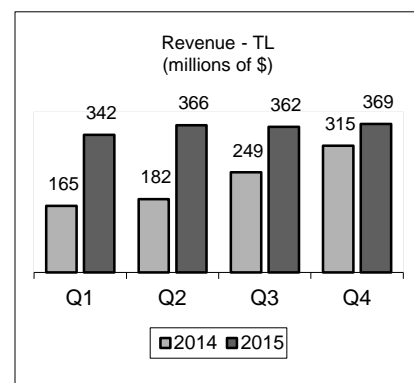
assets, operating income deterioration was \$11.9 million for the year due in part to softer revenues compared to the previous year. Operating margin for the year ended December 31, 2015, was 6.0%, down from 8.1% in 2014.

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

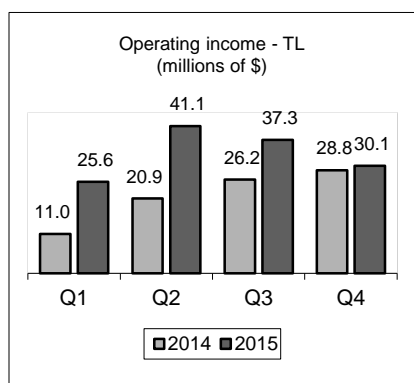
For the three-month period ended December 31, 2015, TL revenue increased by \$54.2 million or 17% from \$314.5 million in Q4 2014 to \$368.7 million mainly due to the acquisition of Contrans in mid-November 2014 and to the favourable foreign exchange impact on the conversion of revenue denominated in 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.

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

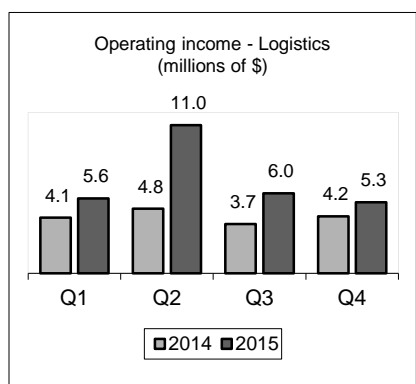
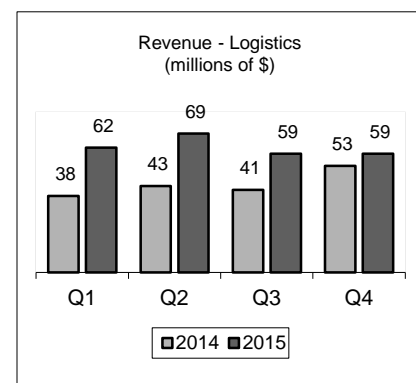
For the quarter ended December 31, 2015, revenue from the Logistics segment increased by 12% or \$6.3 million year-over-year. This increase is mainly due to the Cornerstone division which was part of the Contrans acquisition in November 2014. Excluding business acquisition, revenue increased by 4%, or \$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.

LIQUIDITY AND CAPITAL RESOURCES

Sources and uses of cash

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	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.

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	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.

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	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

<i>(unaudited)</i> <i>(in thousands of dollars, except per share data)</i>	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

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%.

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

Financial position

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	As at December 31, 2015	As at Dec. 31, 2014	As at Dec. 31, 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

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.

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	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.

¹ Long-term debt divided by shareholders' equity.

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

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

<i>(unaudited) - (in millions of dollars, except per share data)</i>								
	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

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 8.

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

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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.

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	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.

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Fourth quarters ended December 31		Years ended December 31	
	2015	2014	2015	2014
EBITDA Waste Management segment				
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

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Fourth quarters ended December 31		Years ended December 31	
	2015	2014	2015	2014
Adjusted EBITDA rig moving services				
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.

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Fourth quarters ended December 31		Years ended December 31	
	2015	2014	2015	2014
	Operating expenses	960,306	919,692	3,753,428
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.

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	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
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

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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

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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

Management's Discussion and Analysis

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.