



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first quarter ended
March 31, 2017

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TFI International Inc.
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)**
(in thousands of Canadian dollars)

	Note	As at March 31, 2017	As at December 31, 2016 *
Assets			
Cash and cash equivalents		-	3,654
Trade and other receivables		592,862	569,181
Inventoried supplies		9,858	8,520
Current taxes recoverable		10,990	11,370
Prepaid expenses		43,008	38,746
Derivative financial instruments	19	915	741
Assets held for sale		34,852	1,850
Current assets		692,485	634,062
Property and equipment	8	1,331,683	1,395,071
Intangible assets	9	1,991,326	1,989,648
Other assets	10	36,955	42,809
Deferred tax assets		7,795	8,410
Derivative financial instruments	19	942	1,287
Non-current assets		3,368,701	3,437,225
Total assets		4,061,186	4,071,287
Liabilities			
Bank indebtedness		17,598	-
Trade and other payables		454,450	455,175
Current taxes payable		-	57,717
Provisions	12	22,818	21,370
Derivative financial instruments	19	1,752	2,376
Long-term debt	11	40,456	40,498
Current liabilities		537,074	577,136
Long-term debt	11	1,604,500	1,544,317
Employee benefits		14,345	14,282
Provisions	12	46,962	44,406
Other financial liability		5,448	5,447
Derivative financial instruments	19	1,987	3,707
Deferred tax liabilities		398,966	423,342
Non-current liabilities		2,072,208	2,035,501
Total liabilities		2,609,282	2,612,637
Equity			
Share capital	13	724,447	723,390
Contributed surplus		21,675	20,230
Accumulated other comprehensive income		46,341	51,977
Retained earnings		659,441	663,053
Equity attributable to owners of the Company		1,451,904	1,458,650
Operating leases, contingencies and letters of credit	20		
Subsequent event	21		
Total liabilities and equity		4,061,186	4,071,287

(*) recasted. See note 12

The notes on pages 6 to 25 are an integral part of these condensed consolidated interim financial statements.

TFI International Inc.
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)**

<i>(In thousands of Canadian dollars, except per share amounts)</i>	Note	Three months ended Mar. 31, 2017	Three months ended Mar. 31, 2016
Revenue		1,059,260	866,728
Fuel surcharge		112,614	67,471
		1,171,874	934,199
Materials and services expenses	16	684,514	549,869
Personnel expenses	16	311,490	238,298
Other operating expenses	16	68,253	63,486
		1,064,257	851,653
Operating income before depreciation, amortization, impairment and gain on sales		107,617	82,546
Depreciation of property and equipment	16	52,345	32,474
Amortization of intangible assets	16	15,081	13,127
Impairment of intangible assets	9, 16	13,211	-
Gain on sale of property and equipment	16	(1,931)	(3,339)
Operating income		28,911	40,284
Finance income	17	(1,122)	(1,261)
Finance costs	17	16,511	25,376
Net finance costs		15,389	24,115
Income before income tax		13,522	16,169
Income tax (recovery) expense	18	(537)	847
Net income from continuing operations		14,059	15,322
Net income from discontinued operations	6	-	488,309
Net income for the period attributable to owners of the Company		14,059	503,631
Earnings per share attributable to owners of the Company			
Basic earnings per share	14	0.15	5.16
Diluted earnings per share	14	0.15	5.09
Earnings per share from continuing operations attributable to owners of the Company			
Basic earnings per share	14	0.15	0.16
Diluted earnings per share	14	0.15	0.15

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TFI International Inc. CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

<i>(In thousands of Canadian dollars)</i>	Three months ended Mar. 31, 2017	Three months ended Mar. 31, 2016
Net income for the period attributable to owners of the Company	14,059	503,631
Other comprehensive income (loss)		
Items that may be reclassified to income or loss in future periods:		
Foreign currency translation differences	(8,913)	(44,605)
Net investment hedge, net of tax	3,295	32,922
Changes in fair value of cash flow hedge, net of tax	467	-
Unrealized gain on investment in equity securities available for sale, net of tax	-	870
Items directly reclassified to retained earnings:		
Realized loss on investments, net of tax	(261)	-
Unrealized loss on investments measured at fair value through OCI, net of tax	(485)	-
Other comprehensive loss for the period, net of tax	(5,897)	(10,813)
Total comprehensive income for the period attributable to owners of the Company	8,162	492,818

The notes on pages 6 to 25 are an integral part of these condensed consolidated interim financial statements.

TFI International Inc.
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
PERIODS ENDED MARCH 31, 2017 AND 2016 - (UNAUDITED)**
(In thousands of Canadian dollars)

	Note	Share capital	Contributed surplus	Accumulated unrealized loss on employee benefit plans	Accumulated cash flow hedge gain	Accumulated foreign currency translation differences	Accumulated unrealized loss on investment in equity securities	Retained earnings	Total equity attributable to owners of the Company
Balance as at December 31, 2016		723,390	20,230	(221)	9,125	44,127	(1,054)	663,053	1,458,650
Net income for the period		-	-	-	-	-	-	14,059	14,059
Other comprehensive (loss) income, net of tax		-	-	-	467	(5,618)	(485)	(261)	(5,897)
Total comprehensive (loss) income for the period		-	-	-	467	(5,618)	(485)	13,798	8,162
Share-based payment transactions	15	-	1,654	-	-	-	-	-	1,654
Stock options exercised	13, 15	1,057	(209)	-	-	-	-	-	848
Dividends to owners of the Company		-	-	-	-	-	-	(17,410)	(17,410)
Total transactions with owners, recorded directly in equity		1,057	1,445	-	-	-	-	(17,410)	(14,908)
Balance as at March 31, 2017		724,447	21,675	(221)	9,592	38,509	(1,539)	659,441	1,451,904
Balance as at December 31, 2015		764,343	17,819	-	-	46,542	-	191,095	1,019,799
Net income for the period		-	-	-	-	-	-	503,631	503,631
Other comprehensive income (loss) for the period, net of tax		-	-	-	-	(11,683)	870	-	(10,813)
Total comprehensive income for the period		-	-	-	-	(11,683)	870	503,631	492,818
Share-based payment transactions	15	-	1,356	-	-	-	-	-	1,356
Stock options exercised	13, 15	842	(193)	-	-	-	-	-	649
Dividends to owners of the Company		-	-	-	-	-	-	(16,144)	(16,144)
Repurchase of own shares	13	(22,622)	-	-	-	-	-	(40,981)	(63,603)
Restricted share units exercised	15	-	(146)	-	-	-	-	9	(137)
Total transactions with owners, recorded directly in equity		(21,780)	1,017	-	-	-	-	(57,116)	(77,879)
Balance as at March 31, 2016		742,563	18,836	-	-	34,859	870	637,610	1,434,738

The notes on pages 6 to 25 are an integral part of these condensed consolidated interim financial statements.

TFI International Inc.
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)**
(In thousands of Canadian dollars)

	Note	Three months ended Mar. 31, 2017	Three months ended Mar. 31, 2016
Cash flows from operating activities			
Net income for the period attributable to owners of the Company		14,059	503,631
Net income from discontinued operations		-	488,309
Net income from continuing operations		14,059	15,322
Adjustments for			
Depreciation of property and equipment		52,345	32,474
Amortization of intangible assets		15,081	13,127
Impairment of intangible assets		13,211	-
Share-based payment transactions		1,654	1,356
Net finance costs		15,389	24,115
Income tax (recovery) expense		(537)	847
Gain on sale of property and equipment		(1,931)	(3,339)
Provisions and employee benefits		3,934	(2,219)
		113,205	81,683
Net change in non-cash operating working capital	7	(25,123)	(6,851)
Cash generated from operating activities		88,082	74,832
Interest paid		(17,317)	(11,935)
Income tax paid		(20,510)	(22,246)
Net realized loss on derivatives		-	(407)
Net cash from operating activities from continuing operations		50,255	40,244
Net cash (used in) from operating activities from discontinued operations		(51,847)	(2,724)
		(1,592)	37,520
Cash flows from investing activities			
Purchases of property and equipment		(36,548)	(29,122)
Proceeds from sale of property and equipment		13,920	13,544
Proceeds from sale of assets held for sale		1,850	-
Purchases of intangible assets		(340)	(159)
Business combinations, net of cash and bank indebtedness acquired		(55,441)	(14,618)
Purchases of investments		-	(5,194)
Proceeds from sale of investments		6,429	-
Others		(2)	(246)
Net cash used in investing activities from continuing operations		(70,132)	(35,795)
Net cash from investing activities from discontinued operations		-	758,092
		(70,132)	722,297
Cash flows from financing activities			
Increase in bank indebtedness		20,692	12,438
Proceeds from long-term debt		75,071	12,803
Repayment of long-term debt		(11,142)	(705,369)
Dividends paid		(17,399)	(16,598)
Repurchase of own shares		-	(63,603)
Proceeds from exercise of stock options		848	649
Payment of restricted share units		-	(137)
Net cash used in financing activities from continuing operations		68,070	(759,817)
		68,070	(759,817)
Net change in cash and cash equivalents		(3,654)	-
Cash and cash equivalents, beginning of period		3,654	-
Cash and cash equivalents, end of period		-	-

The notes on pages 6 to 25 are an integral part of these condensed consolidated interim financial statements.

1. Reporting entity

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

The condensed consolidated interim financial statements of the Company as at and for the three months ended March 31, 2017 and 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

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

2. Basis of preparation

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the most recent annual consolidated financial statements of the Group.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on April 26, 2017.

b) Basis of measurement

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

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

c) Seasonality of interim operations

The activities conducted by the Group are subject to general demand for freight transportation. Historically, demand has been relatively stable with the first quarter being generally the weakest in terms of demand. Furthermore, during the harsh winter months, fuel consumption and maintenance costs tend to rise. Consequently, the results of operations for the interim period are not necessarily indicative of the results of operations for the full year.

d) Functional and presentation currency

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

e) Use of estimates and judgments

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

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

In preparing these condensed consolidated interim financial statements, the significant judgments made by management applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied and described in the Group's 2016 annual consolidated financial statements.

3. Significant accounting policies

The accounting policies described in the Group's 2016 annual consolidated financial statements have been applied consistently to all periods presented in these condensed consolidated interim financial statements, unless otherwise indicated. The accounting policies have been applied consistently by Group entities.

New standards and interpretations adopted during the period

The following new standards, and amendments to standards and interpretations, are effective for the first time for interim periods beginning on or after January 1, 2017 and have been applied in preparing these condensed consolidated interim financial statements:

Disclosure Initiative: Amendments to IAS 7: On January 7, 2016 the IASB issued *Disclosure Initiative* (Amendments to IAS 7). The amendments apply prospectively for annual periods beginning on or after January 1, 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. One way to meet this new disclosure requirement is to provide a reconciliation between the opening and closing balances for liabilities from financing activities. Adoption of Disclosure Initiative: Amendments to IAS 7 did not have a material impact on the Group's condensed consolidated interim financial statements.

Recognition of Deferred Tax Assets for Unrealized Losses: Amendments to IAS 12: On January 19, 2016 the IASB issued *Recognition of Deferred Tax Assets for Unrealized Losses* (Amendments to IAS 12). The amendments apply retrospectively for annual periods beginning on or after January 1, 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments also clarify the methodology to determine the future taxable profits used for assessing the utilization of deductible temporary differences. Adoption of Recognition of Deferred Tax Assets for Unrealized Losses: Amendments to IAS 12 did not have a material impact on the Group's condensed consolidated interim financial statements.

Annual Improvements to IFRS Standards (2014-2016 cycle): On December 8, 2016 the IASB issued narrow-scope amendments to three standards as part of its annual improvements process. Each of the amendments has its own specific transaction requirements and effective date. Amendments were made to the following standards:

- Clarification that IFRS 12 *Disclosures of Interests in Other Entities* also applies to interests that are classified as held for sale, held for distribution, or discontinued operations, effective retrospectively for annual periods beginning on or after January 1, 2017;
- Removal of outdated exemptions for first time adopters under IFRS 1 *First-time Adoption of International Financial Reporting Standards*, effective for annual periods beginning on or after January 1, 2018;
- Clarification that the election to measure an associate or joint venture at fair value under IAS 28 *Investments in Associates and Joint Ventures* for investments held directly, or indirectly, through a venture capital or other qualifying entity can be made on an investment-by-investment basis. The amendments are effective retrospectively for annual periods beginning on or after January 1, 2018.

Adoption of Annual Improvements to IFRS Standards (2014-2016 cycle) did not have a material impact on the Group's condensed consolidated interim financial statements.

New standards and interpretations not yet adopted

The following new standards are not yet effective for the year ending December 31, 2017, and have not been applied in preparing these condensed consolidated interim financial statements:

IFRS 15 Revenue from Contracts with Customers: On May 28, 2014 the IASB issued IFRS 15 *Revenue from Contracts with Customers*. The new standard is effective for annual periods beginning on or after January 1, 2018. The Group does not intend to early adopt the standard in its consolidated financial statements. IFRS 15 will replace IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers*, and SIC 31 *Revenue – Barter Transactions Involving Advertising Services*. On April 12, 2016, the IASB issued *Clarifications to IFRS 15, Revenue from Contracts with Customers*, which is effective at the same time as IFRS 15. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. The clarifications to IFRS 15 provide additional guidance with respect to the five-step analysis, transition, and the application of the Standard to licenses of intellectual property. The Group intends to adopt IFRS 15 and the clarifications in its financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

IFRS 16, Leases: On January 13, 2016 the IASB issued IFRS 16 *Leases*. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 *Revenue from Contracts with Customers* at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17 *Leases*. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The Group intends to adopt IFRS 16 in its financial statements for the annual period beginning on January 1, 2019. The extent of the impact of adoption of the standard has not yet been determined.

Classification and Measurement of Share-based Payment Transactions: Amendments to IFRS 2: On June 20, 2016, the IASB issued amendments to IFRS 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments apply for annual periods beginning on or after January 1, 2018. As a practical simplification, the amendments can be applied prospectively. Retrospective, or early application is permitted if information is available without the use of hindsight. The Group does not intend to early adopt the standard in its consolidated financial statements. The amendments provide requirements on the accounting for:

- the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- share-based payment transactions with a net settlement feature for withholding tax obligations; and
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The Group intends to adopt the amendments to IFRS 2 in its financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

IFRIC 22, Foreign Currency Transactions and Advance Consideration: On December 8, 2016, the IASB issued IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*. The Interpretation clarifies which date should be used for translation when a foreign currency transaction involves an advance payment or receipt. The Interpretation is applicable for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. The Interpretation may be applied either:

- retrospectively; or
- prospectively to all assets, expenses and income in the scope of the Interpretation initially recognized on or after:
 - the beginning of the reporting period in which the entity first applies the Interpretation; or
 - the beginning of a prior reporting period presented as comparative information in the financial statements.

The Company intends to adopt the Interpretation in its financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the Interpretation has not yet been determined.

4. Segment reporting

The Group operates within the transportation and logistics industry in the United States, Canada and Mexico in different reportable segments, as described below. The reportable segments are managed independently as they require different technology and capital resources. For each of the operating segments, the Group's CEO reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

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

(a) The Truckload segment represents the aggregation of the Canadian Truckload, U.S. Truckload, and Specialized Truckload operating segments. These operating segments have similar cost structures and are evaluated using the same key performance indicators.

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

TFI International Inc. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**
 (Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) **PERIODS ENDED MARCH 31, 2017 AND 2016 - (UNAUDITED)**

	Package and Courier	Less- Than- Truckload	Truckload	Logistics	Corporate	Eliminations	Total
Three months ended March 31, 2017							
External revenue	340,390	224,849	539,737	66,898	-	-	1,171,874
Inter-segment revenue	2,149	3,882	6,694	2,110	-	(14,835)	-
Total revenue	342,539	228,731	546,431	69,008	-	(14,835)	1,171,874
Depreciation and amortization	8,515	7,986	49,045	1,335	545	-	67,426
Impairment	13,211	-	-	-	-	-	13,211
Operating income (loss)	9,683	8,701	14,677	5,583	(9,733)	-	28,911
Intangible assets	444,813	249,443	1,151,891	143,575	1,604	-	1,991,326
Total assets	685,643	666,613	2,455,652	187,251	65,816	-	4,060,975
Total liabilities	153,489	145,435	564,097	35,669	1,707,856	-	2,606,546
Additions to property and equipment	3,215	863	32,262	85	123	-	36,548

Three months ended March 31, 2016 *

External revenue	325,982	194,695	360,625	52,897	-	-	934,199
Inter-segment revenue	1,667	4,148	6,302	2,463	-	(14,580)	-
Total revenue	327,649	198,843	366,927	55,360	-	(14,580)	934,199
Depreciation and amortization	8,699	7,479	27,995	944	484	-	45,601
Operating income (loss)	16,842	5,366	20,403	4,192	(6,519)	-	40,284
Intangible assets	442,205	225,690	757,690	95,694	2,268	-	1,523,547
Total assets	698,608	643,400	1,530,076	134,205	28,672	-	3,034,961
Total liabilities	154,362	137,182	302,356	16,261	1,010,426	-	1,620,587
Additions to property and equipment	5,771	3,618	19,617	-	116	-	29,122

(*) Recasted

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

The following table summarizes recasted segmented information for the year ended December 31, 2016.

	Package and Courier	Less- Than- Truckload	Truckload	Logistics	Corporate	Eliminations	Total
2016 *							
External revenue	1,359,169	808,430	1,624,753	232,856	-	-	4,025,208
Inter-segment revenue	7,016	19,074	22,424	8,286	-	(56,800)	-
Total revenue	1,366,185	827,504	1,647,177	241,142	-	(56,800)	4,025,208
Depreciation and amortization	33,758	29,506	123,847	3,877	2,098	-	193,086
Operating income (loss)	113,032	52,341	105,386	23,389	(35,935)	-	258,213
Intangible assets	450,541	230,194	1,176,120	130,994	1,799	-	1,989,648
Total assets	700,749	635,233	2,484,556	175,190	75,233	-	4,070,961
Total liabilities	157,426	146,008	561,673	19,350	1,725,480	-	2,609,937
Additions to property and equipment	11,152	16,967	80,021	430	1,990	-	110,560

(*) Recasted

Geographical information

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

	Three months ended Mar. 31, 2017	Three months ended Mar. 31, 2016
Revenue		
Canada	631,130	568,546
United States	534,801	365,653
Mexico	5,943	-
	1,171,874	934,199
	As at March 31, 2017	As at December 31, 2016
Property and equipment and intangible assets		
Canada	1,752,498	1,771,198
United States	1,545,349	1,590,075
Mexico	25,162	23,446
	3,323,009	3,384,719

5. Business combinations
a) Business combinations

In line with the Group's growth strategy, the Group acquired two businesses during 2017.

On January 13, 2017, the Group completed the acquisition of World Courier Ground U.S. ("World Courier Ground") for total cash consideration of \$18.4 million. Established in 1983, World Courier Ground is an asset light, time critical courier provider. Operating nationally across the U.S., the company offers same day courier, rush trucking and warehousing services primarily to the medical industry, as well as to the environmental, financial, chemical and industrial sectors. World Courier Ground management will continue to operate the business under the new name TForce Critical.

On January 28, 2017, the Group completed the acquisition of Cavalier Transportation Services Inc. ("Cavalier") for total cash consideration of \$38.4 million. Established in 1979, Cavalier's operations consist of LTL and truckload services, brokerage, and warehousing. Based in Bolton, ON, Cavalier serves corridors primarily between Ontario, Quebec, New York and Illinois.

During 2017, no transaction costs have been expensed in relation to the above mentioned business acquisitions.

The following table provides the revenue and net income contributions of the above 2017 significant business combinations from their respective date of acquisition and as if these acquisitions had occurred on January 1, 2017, per management's best estimates. In determining these estimated amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2017.

<i>2017 business combinations contributions</i>	From acquisition date		Estimated - if acquired on January 1, 2017	
	Revenue	Net income	Revenue	Net income
World Courier Ground (January 13)	10,555	298	11,500	300
Cavalier (January 28)	8,253	702	11,500	1,000

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

<i>Identifiable assets acquired and liabilities assumed</i>	Note	World Courier		2017
		Ground	Cavalier	
Cash and cash equivalents		-	617	617
Trade and other receivables		6,990	5,425	12,415
Inventoried supplies and prepaid expenses		12	423	435
Property and equipment	8	489	4,722	5,211
Intangible assets	9	4,359	11,800	16,159
Other assets		768	-	768
Trade and other payables		(2,896)	(2,723)	(5,619)
Income tax payable		-	(87)	(87)
Deferred tax liabilities		(1,128)	(3,235)	(4,363)
Total identifiable net assets		8,594	16,942	25,536
Total consideration transferred		18,388	38,365	56,753
Goodwill	9	9,794	21,423	31,217

The trade receivables comprise of gross amounts due of \$12.0 million, of which \$0.4 million was expected to be uncollectible at the acquisition date.

Of the goodwill and intangible assets acquired through business combinations in 2017, nil is deductible for tax purposes.

b) Goodwill

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

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

Operating segment	Reportable segment	2017
Package and Courier	Package and Courier	9,794
Less-Than-Truckload	Less-Than-Truckload	13,898
Logistics	Logistics	7,525
		31,217

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

The 2016 annual consolidated financial statements included details of the Group's business combinations and set out provisional fair values relating to the consideration and net assets acquired of CFI, Hyphen, Muskoka, NFF and various non-significant acquisitions. These acquisitions were accounted for under the provisions of IFRS 3.

As required by IFRS 3, the provisional fair values have been reassessed in light of information obtained during the measurement period following the acquisition. Consequently, the fair value of certain assets acquired and liabilities assumed of CFI, Hyphen, Muskoka and the non-significant acquisition have been adjusted in 2017. As a result, in CFI, goodwill has been increased by \$16.5 million while the intangible assets and the deferred tax liabilities have been decreased by \$26.8 million and \$10.3 million, respectively. For Hyphen, goodwill has been increased by \$1.5 million and income tax payable increased by \$0.3 million, while the intangible assets and the deferred tax liabilities have been decreased by \$1.7 million and \$0.4 million, respectively. In Muskoka, the fair value of the property and equipment increased by \$0.6 million, while other assets acquired and liabilities assumed were decreased: trade and other receivables by \$0.7 million, goodwill by \$0.6 million, intangible assets by \$0.3 million, trade and other payables by \$0.2 million and deferred tax liabilities by \$0.1 million. Finally, for the non-significant acquisitions, goodwill and deferred tax liabilities were decreased by \$0.9 million and \$0.1 million, respectively, while the intangible assets increased by \$1.0 million.

6. Discontinued operations

a) Discontinued operations

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

On October 29, 2015, the Company commenced the process of selling the Waste Management segment ("Waste") to GFL Environmental Inc. ("GFL") for total consideration of \$800 million, which includes an unsecured promissory note of \$25 million yielding 3% interest with a term of 4 years. The Waste operations were transferred to GFL on February 1, 2016.

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

	Three months ended March 31, 2017			Three months ended March 31, 2016		
	Rig moving	Waste	Total	Rig moving	Waste	Total
Revenue	-	-	-	304	14,340	14,644
Expenses	-	-	-	1,838	15,630	17,468
	-	-	-	(1,534)	(1,290)	(2,824)
Gain on the sale of Waste	-	-	-	-	559,246	559,246
(Loss) income before income tax	-	-	-	(1,534)	557,956	556,422
Income tax (recovery) expense	-	-	-	(465)	68,578	68,113
(Loss) income from discontinued operations ⁽¹⁾	-	-	-	(1,069)	489,378	488,309
Earnings per share from discontinued operations						
Basic (loss) earnings per share	-	-	-	(0.01)	5.01	5.00
Diluted (loss) earnings per share	-	-	-	(0.01)	4.94	4.93
Additional information:						
Depreciation of property and equipment	-	-	-	-	2,256	2,256

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

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

	As at March 31, 2017	As at December 31, 2016
Current assets	211	326
Current liabilities	(2,736)	(2,700)

7. Additional cash flow information

Net change in non-cash operating working capital

	Three months ended Mar. 31, 2017	Three months ended Mar. 31, 2016
Trade and other receivables	(15,746)	21,113
Inventories	(1,328)	732
Prepaid expenses	(4,099)	1,180
Trade and other payables	(3,950)	(29,876)
	(25,123)	(6,851)

8. Property and equipment

	Land and buildings	Rolling stock	Equipment	Total
Cost				
Balance at December 31, 2016	490,940	1,293,019	153,142	1,937,101
Additions through business combinations	850	4,227	762	5,839
Other additions	1,260	34,239	1,049	36,548
Disposals	(1,727)	(37,805)	(1,301)	(40,833)
Reclassification to assets held for sale	(40,522)	-	-	(40,522)
Effect of movements in exchange rates	(981)	(5,966)	(302)	(7,249)
Balance at March 31, 2017	449,820	1,287,714	153,350	1,890,884
Depreciation				
Balance at December 31, 2016	76,957	365,335	99,738	542,030
Depreciation for the period	3,292	45,264	3,789	52,345
Disposals	402	(28,412)	(834)	(28,844)
Reclassification to assets held for sale	(5,670)	-	-	(5,670)
Effect of movements in exchange rates	(107)	(319)	(234)	(660)
Balance at March 31, 2017	74,874	381,868	102,459	559,201
Net carrying amounts				
At December 31, 2016	413,983	927,684	53,404	1,395,071
At March 31, 2017	374,946	905,846	50,891	1,331,683

9. Intangible assets

	Other intangible assets					Total
	Goodwill	Customer relationships	Trademarks	Non-compete agreements	Information technology	
Net carrying amounts						
Balance at December 31, 2016	1,482,656	434,578	62,953	2,052	7,409	1,989,648
Additions through business combinations	47,771	(33,478)	19,816	2,010	28	36,147
Other additions	-	-	-	-	340	340
Amortization	-	(11,519)	(2,022)	(226)	(1,314)	(15,081)
Impairment	-	-	(13,211)	-	-	(13,211)
Effect of movements in exchange rates	(4,542)	(1,510)	(429)	(11)	(25)	(6,517)
Balance at March 31, 2017	1,525,885	388,071	67,107	3,825	6,438	1,991,326

During the three months ended March 31, 2017 the Group rebranded certain package and courier companies by initiating a change of name. This rebranding was identified as an indicator of impairment for the trade name intangibles of these companies. The group estimated the value in use of the trade names using the relief-from-royalty method. Management assumed that the trade names have a value for 4 years and used a discount rate of 9.3% in its analysis. The Group also changed the amortization period to 4 years for the remaining net book value of these trade names only.

10. Other assets

	Note	As at March 31, 2017	As at December 31, 2016
Promissory note	6	19,391	18,962
Investments in equity securities		8,553	15,884
Restricted cash		4,294	4,294
Security deposits		4,693	3,645
Other		24	24
		36,955	42,809

11. Long-term debt

	As at March 31, 2017	As at December 31, 2016
Non-current liabilities		
Revolving facility	830,638	767,034
Term loans	572,001	571,663
Unsecured debentures	124,606	124,552
Conditional sales contracts	41,649	42,758
Finance lease liabilities	9,909	12,401
Other long-term debt	25,697	25,909
	1,604,500	1,544,317
Current liabilities		
Current portion of conditional sales contracts	29,750	29,807
Current portion of finance lease liabilities	9,877	9,869
Current portion of other long-term debt	829	822
	40,456	40,498

For the three months ended March 31, 2017, in addition to the repayments and new borrowings, the debt decreased due to currency fluctuations by \$4.4 million and increased by \$0.6 million due to the amortization of deferred financing fees.

12. Provisions

	Self insurance	Other	Total
As at March 31, 2017			
Current provisions	22,818	-	22,818
Non-current provisions	34,227	12,735	46,962
	57,045	12,735	69,780
As at December 31, 2016			
Current provisions	21,370	-	21,370
Non-current provisions	32,054	12,352	44,406
	53,424	12,352	65,776

As at March 31, 2017, the current portion of provisions is being disclosed separately from the trade and other payables. The prior period comparative figures have been recasted for this change in presentation.

13. Share capital

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

The following table summarizes the number of common shares issued:

<i>(in number of shares)</i>	Note	Three months ended Mar. 31, 2017	Three months ended Mar. 31, 2016
Balance, beginning of period		91,575,319	97,632,502
Stock options exercised	15	59,058	37,234
Repurchase and cancellation of own shares - Substantial issuer bid		-	(2,699,924)
Repurchase and cancellation of own shares		-	(188,400)
Balance, end of period		91,634,377	94,781,412

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

	Note	Three months ended Mar. 31, 2017	Three months ended Mar. 31, 2016
Balance, beginning of period		723,390	764,343
Cash consideration of stock options exercised		848	649
Ascribed value credited to share capital on stock options exercised		209	193
Repurchase and cancellation of own shares		-	(22,622)
Balance, end of period		724,447	742,563

Pursuant to the renewal of the normal course issuer bid ("NCIB") which began on September 30, 2016 and will expire on September 29, 2017, the Company is authorized to repurchase for cancellation up to a maximum of 6,000,000 of its common shares under certain conditions. As at March 31, 2017, and since the inception of this NCIB, the Company has repurchased and cancelled 40,578 common shares under this NCIB.

During the three months ended March 31, 2017, the Company did not repurchase any common shares relating to the NCIB. During the three months ended March 31, 2016, the Company repurchased 188,400 common shares at a price ranging from \$22.20 to \$22.40 per share for a total purchase price of \$4.2 million relating to the NCIB. In 2016, the excess of the purchase price paid over the carrying value of the shares repurchased in the amount of \$2.7 million was charged to retained earnings as share repurchase premium.

14. Earnings per share
Basic earnings per share

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

<i>(in thousands of dollars and number of shares)</i>	Three months ended Mar. 31, 2017	Three months ended Mar. 31, 2016
Net income attributable to owners of the Company	14,059	503,631
Net income from continuing operations	14,059	15,322
Issued common shares, beginning of period	91,575,319	97,632,502
Effect of stock options exercised	33,340	20,480
Effect of repurchase of own shares	-	(33,886)
Weighted average number of common shares	91,608,659	97,619,096
Earnings per share – basic	0.15	5.16
Earnings per share from continuing operations – basic	0.15	0.16

Diluted earnings per share

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

<i>(in thousands of dollars and number of shares)</i>	Three months ended Mar. 31, 2017	Three months ended Mar. 31, 2016
Net income attributable to owners of the Company	14,059	503,631
Net income from continuing operations attributable to owners of the Company, adjusted for dilution effect	14,059	15,322
Weighted average number of common shares	91,608,659	97,619,096
Dilutive effect:		
Stock options and restricted share units	2,536,186	1,355,674
Weighted average number of diluted common shares	94,144,845	98,974,770
Earnings per share - diluted	0.15	5.09
Earnings per share from continuing operations - diluted	0.15	0.15

As at March 31, 2017, 395,113 stock options were excluded from the calculation of diluted earnings per share as these options were deemed to be anti-dilutive (2016 – 1,362,393).

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

15. Share-based payment arrangements

Stock option plan

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

<i>(in thousands of options and in dollars)</i>	Three months ended		Three months ended	
	Mar. 31, 2017		Mar. 31, 2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of period	5,496	18.02	4,934	16.67
Granted	395	35.02	-	-
Exercised	(59)	14.35	(37)	17.44
Balance, end of period	5,832	19.21	4,897	16.66
Options exercisable, end of period	3,705	14.93	3,414	13.43

The following table summarizes information about stock options outstanding and exercisable at March 31, 2017:

<i>(in thousands of options and in dollars)</i>	Options outstanding		Options exercisable
	Number of options	Weighted average remaining contractual life (in years)	Number of options
Exercise prices			
6.32	685	2.3	685
9.46	627	3.3	627
14.28	537	1.3	537
16.46	689	2.3	689
20.18	654	3.3	654
24.64	1,026	6.3	-
24.93	834	5.3	266
25.14	385	4.3	247
35.02	395	6.9	-
	5,832	4.0	3,705

Of the options outstanding at March 31, 2017, a total of 4,878,286 (December 31, 2016 – 4,667,432) are held by key management personnel.

The weighted average share price at the date of exercise for stock options exercised in the three months ended March 31, 2017 was \$33.18 (2016 – \$22.64).

For the three months ended March 31, 2017, the Group recognized a compensation expense of \$0.9 million (2016 – \$0.8 million) with a corresponding increase to contributed surplus.

On February 16, 2017, the Board of Directors approved the grant of 395,113 stock options under the Company's stock option plan of which 240,254 were granted to key management personnel. The options vest in equal instalments over three years and have a life of seven years. The fair value of the stock options granted was estimated using the Black-Scholes option pricing model using the following weighted average assumptions:

	February 16, 2017
Average expected option life	4.5 years
Risk-free interest rate	1.04%
Expected stock price volatility	22.46%
Average dividend yield	2.17%
Weighted average fair value of options granted	\$5.34

Deferred share unit plan for board members

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

<i>(in units)</i>	Three months ended Mar. 31, 2017	Three months ended Mar. 31, 2016
Balance, beginning of period	260,567	255,053
Board members compensation	6,535	10,925
Dividends paid in units	1,452	1,917
Balance, end of period	268,554	267,895

For the three months ended March 31, 2017, the Group recognized, as a result of deferred share units, a compensation expense of \$0.2 million (2016 - \$0.3 million) with a corresponding increase to trade and other payables. In addition, in other finance costs, the Group recognized a mark-to-market gain on deferred share units of \$1.0 million (2016 - \$0.3 million gain).

As at March 31, 2017, the total carrying amount of liabilities for cash-settled arrangements recorded in trade and other payables amounted to \$8.4 million (December 31, 2016 - \$9.1 million).

Performance contingent restricted share unit plan

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

On February 16, 2017, the Company granted a total of 60,931 RSUs under the Company's equity incentive plan of which 36,494 were granted to key management personnel. The fair value of the RSUs is determined to be the share price fair value at the date of the grant and is recognized as a share-based compensation expense, through contributed surplus, over the vesting period. The fair value of the RSU's granted during the period was \$35.02 per unit.

TFI International Inc. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**
 (Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) **PERIODS ENDED MARCH 31, 2017 AND 2016 - (UNAUDITED)**

The table below summarizes changes to the outstanding RSUs:

<i>(in thousands of RSUs and in dollars)</i>	Three months ended Mar. 31, 2017		Three months ended Mar. 31, 2016	
	Number of RSUs	Weighted average exercise price	Number of RSUs	Weighted average exercise price
Balance, beginning of period	281	24.78	224	25.01
Granted	61	35.02	-	-
Reinvested	2	24.78	2	25.00
Settled	-	-	(7)	24.99
Balance, end of period	344	26.60	219	25.01

The following table summarizes information about RSUs outstanding and exercisable as at March 31, 2017:

<i>(in thousands of RSUs and in dollars)</i>	RSUs outstanding	
	Number of RSUs	Remaining contractual life (in years)
Exercise prices		
24.64	143	1.8
24.93	140	0.8
35.02	61	2.8
	344	1.6

For the three months ended March 31, 2017, the Group recognized as a result of RSUs a compensation expense of \$0.8 million (2016 - \$0.5 million) with a corresponding increase to contributed surplus.

Of the RSUs outstanding at March 31, 2017, a total of 235,326 (December 31, 2016 – 198,832) are held by key management personnel.

16. Operating expenses

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

	Three months ended Mar. 31, 2017	Three months ended Mar. 31, 2016
Materials and services expenses		
Independent contractors	482,461	415,500
Vehicle operation expenses	202,053	134,369
	684,514	549,869
Personnel expenses	311,490	238,298
Other operating expenses	68,253	63,486
Depreciation of property and equipment	52,345	32,474
Amortization of intangible assets	15,081	13,127
Impairment of intangible assets	13,211	-
Gain on sale of property and equipment	(1,931)	(3,339)
	1,142,963	893,915

17. Finance income and finance costs

Recognized in income or loss:

<i>(Income) costs</i>	Three months ended Mar. 31, 2017	Three months ended Mar. 31, 2016
Interest expense on long-term debt	14,301	12,695
Interest income and accretion on promissory note	(624)	(470)
Net foreign exchange loss	1,516	2,202
Net change in fair value of foreign exchange derivatives	(294)	(791)
Net change in fair value of interest rate derivatives	(204)	9,275
Other financial expenses	694	1,204
Net finance costs	15,389	24,115
Presented as:		
Finance income	(1,122)	(1,261)
Finance costs	16,511	25,376

18. Income tax expense
Income tax recognized in income or loss:

	Three months ended Mar. 31, 2017	Three months ended Mar. 31, 2016
Current tax expense		
Current period	14,274	1,329
	14,274	1,329
Deferred tax expense (recovery)		
Origination and reversal of temporary differences	(14,929)	(483)
Variation in tax rate	(76)	16
Adjustment for prior periods	194	(15)
	(14,811)	(482)
Income tax (recovery) expense from continuing operations	(537)	847

Reconciliation of effective tax rate:

		Three months ended Mar. 31, 2017		Three months ended Mar. 31, 2016
Income before income tax		13,522		16,169
Income tax using the Company's statutory tax rate	26.9%	3,637	26.9%	4,350
Increase (decrease) resulting from:				
Rate differential between jurisdictions	(38.6%)	(5,216)	(16.8%)	(2,724)
Variation in tax rate	(0.6%)	(76)	0.1%	16
Non deductible expenses	5.9%	800	4.7%	754
Tax exempt income	(0.3%)	(35)	(10.7%)	(1,730)
Adjustment for prior periods	1.4%	194	(0.1%)	(14)
Others	1.2%	159	1.2%	195
	(4.1%)	(537)	5.3%	847

19. Financial instruments

Derivative financial instruments' fair values were as follows:

	Note	Measured at fair value through income or loss		Designated as effective cash flow hedge instruments	
		As at March 31, 2017	As at December 31, 2016	As at March 31, 2017	As at December 31, 2016
Current assets					
Interest rate derivatives	a	-	-	915	741
Non-current assets					
Interest rate derivatives	a	-	1,287	942	-
Current liabilities					
Embedded foreign exchange derivatives in finance leases		990	1,062	-	-
Interest rate derivatives	a	-	162	762	1,152
		990	1,224	762	1,152
Non-current liabilities					
Embedded foreign exchange derivatives in finance leases		273	496	-	-
Interest rate derivatives	a	-	-	1,714	3,211
		273	496	1,714	3,211

a) Interest rate risk

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

The Group's interest rate derivatives are as follows:

	As at March 31, 2017					As at December 31, 2016				
	Average B.A. rate	Notional Contract Amount CDN\$	Average Libor rate	Notional Contract Amount US\$	Fair value CDN\$	Average B.A. rate	Notional Contract Amount CDN\$	Average Libor rate	Notional Contract Amount US\$	Fair value CDN\$
Coverage period:										
Less than 1 year	0.98%	500,000	1.92%	325,000	153	0.98%	500,000	1.85%	350,000	(573)
1 to 2 years	0.98%	450,000	1.92%	325,000	(36)	0.98%	500,000	1.92%	325,000	(411)
2 to 3 years	0.99%	225,000	1.92%	325,000	(617)	0.99%	300,000	1.92%	325,000	(605)
3 to 4 years	-	-	1.88%	181,250	(134)	-	-	1.89%	237,500	(661)
4 to 5 years	-	-	1.92%	100,000	10	-	-	1.92%	100,000	(141)
5 to 6 years	-	-	1.92%	50,000	5	-	-	1.92%	75,000	(106)
Liabilities					(619)					(2,497)
Presented as:										
Current assets					915					741
Non-current assets					942					1,287
Current liabilities					(762)					(1,314)
Non-current liabilities					(1,714)					(3,211)

20. Operating leases, contingencies and letters of credit

a) Operating leases

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

	As at March 31, 2017	As at December 31, 2016
Less than 1 year	129,254	128,339
Between 1 and 5 years	241,023	246,284
More than 5 years	95,109	100,898
	465,386	475,521

For the three months ended March 31, 2017, expense of \$37.2 million was recognized in income or loss in respect of operating leases (2016 – \$32.9 million).

b) Contingencies

There are pending operational and personnel related claims against the Group. The Group has accrued \$7.0 million for claim settlements which are presented in long term provisions on the consolidated statements of financial position. In the opinion of management, these claims are adequately provided for and settlement should not have a significant impact on the Group's financial position or results of operations.

c) Letters of credit

As at March 31, 2017, the Group had \$40.5 million of outstanding letters of credit (December 31, 2016 - \$40.1 million).

21. Subsequent event

On April 10, 2017, the Group acquired Villeneuve Tank Lines Inc. ("Villeneuve Tank Lines") for \$11.1 million. Villeneuve Tank Lines specializes in the food grade tank business and operates in both Canada and the United States.