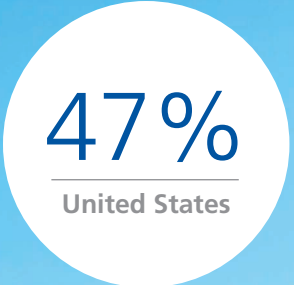




Q3 Third Quarterly Report
Three-Month Period Ended September 30, 2017



TFI International's growing leadership role beyond Canada is reflected in the strong revenues now being generated in the United States. This proportion will represent nearly half the Company's total revenue going forward.



TSX: TFI



OTCQX: TFIFF



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the third quarter ended
September 30, 2017

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GENERAL INFORMATION

The following is TFI International Inc.'s management discussion and analysis ("MD&A"). Throughout this MD&A, the terms "Company" and "TFI International" shall mean TFI International Inc., and shall include its independent operating subsidiaries. This MD&A provides a comparison of the Company's performance for its three- and nine-month periods ended September 30, 2017 with the corresponding three- and nine-month periods ended September 30, 2016 and it reviews the Company's financial position as of September 30, 2017. It also includes a discussion of the Company's affairs up to October 26, 2017, which is the date of this MD&A. The MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the period ended September 30, 2017, and the audited consolidated financial statements and annual MD&A for the fiscal year ended December 31, 2016.

In this document, all financial data are prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). 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. Refer to the section of this report entitled "Non-IFRS Financial Measures" for a complete description of these measures.

The Company's unaudited condensed consolidated interim financial statements have been approved by its Board of Directors ("Board") upon recommendation of its audit committee on October 26, 2017. 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.tfiintl.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 variations 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>	Third quarters ended		Nine months ended	
	September 30		September 30	
	2017	2016	2017	2016
Revenue before fuel surcharge	1,048,185	897,448	3,222,833	2,668,042
Fuel surcharge	106,258	78,012	335,715	219,432
Total revenue	1,154,443	975,460	3,558,548	2,887,474
Adjusted EBITDA from continuing operations ¹	128,193	113,791	383,464	314,408
Operating income from continuing operations ¹	60,547	69,257	176,954	179,548
Net income	98,774	51,503	37,796	594,240
Net income from continuing operations	98,774	51,069	37,796	110,672
Adjusted net income from continuing operations ¹	48,843	53,483	137,926	136,782
Net cash from operating activities from continuing operations	128,912	88,302	256,453	228,093
Free cash flow from continuing operations ¹	197,970	81,341	274,055	190,302
Per share data				
EPS – diluted	1.07	0.55	0.41	6.18
EPS from continuing operations – diluted	1.07	0.54	0.41	1.15
Adjusted EPS from continuing operations – diluted ¹	0.53	0.57	1.50	1.42
Free cash flow from continuing operations ¹	2.20	0.88	3.02	2.01
Dividends	0.19	0.17	0.57	0.51
As a percentage of revenue before fuel surcharge				
Adjusted EBITDA margin ¹	12.2%	12.7%	11.9%	11.8%
Depreciation of property and equipment	5.0%	3.6%	5.0%	3.6%
Amortization of intangible assets	1.5%	1.4%	1.4%	1.4%
Operating margin	5.8%	7.7%	5.5%	6.7%
Operating ratio ¹	94.2%	92.3%	94.5%	93.3%

Q3 Highlights

- Total revenue from continuing operations increased by \$179.0 million from Q3 2016, or 18%, to \$1,154.4 million.
- Operating income from continuing operations decreased 13%, or \$8.8 million from the same quarter last year, mainly as a result of weakness in U.S. domestic TL operations.
- Gain on sale of property totalled \$70.1 million in Q3 2017; notably 4 real estate assets were sold for \$135.7 million in an all cash sale and leaseback transaction.
- Net income was \$98.8 million, compared to \$51.5 million in Q3 2016. The increase is mainly due to the gain on sale of property, which was \$59.7 million, net of tax. The diluted earnings per share (diluted “EPS”) were up 95% to \$1.07, compared to 55 cents in the prior year period.
- Adjusted diluted EPS from continuing operations¹, a non-IFRS measure, decreased 7% to 53 cents from 57 cents in Q3 2016.
- The Company's long-term debt decreased by \$173.1 million to \$1,493.6 million.
- The Company returned \$25.6 million to shareholders during the quarter, of which \$17.1 million was through dividends and \$8.5 million through share repurchases. The weighted average number of common shares was 3% lower in this quarter compared to last year's same quarter.
- On September 26, 2017, the Company announced the renewal of its normal course issuer bid (“NCIB”) program from October 2, 2017 to October 1, 2018.
- In order to most clearly reflect results from operations, the Company modified the presentation of its statements of income; operating income and all adjusted metrics of profitability now exclude gains or losses on the sale of property and impairment of intangible assets.

ABOUT TFI INTERNATIONAL

Services

TFI International is a North American leader in the transportation and logistics industry, operating across the United States, Canada and Mexico through its subsidiaries. TFI International creates value for shareholders by identifying strategic acquisitions and managing a growing network of wholly-owned operating subsidiaries. Under the TFI International umbrella, companies benefit from financial and operational

resources to build their businesses and increase their efficiency. TFI International companies service the following reportable 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

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

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 has 17,325 employees who work in TFI International's different business segments across North America. This compares to 14,187 employees as of September 30, 2016. The year-over-year increase of 3,138 is attributable to business acquisitions (+3,882) offset by rationalizations affecting 744 employees mainly in the Less-Than-Truckload ("LTL") and TL segments. The Company believes that it has a relatively low turnover rate among its employees in Canada, a normal turnover rate in the U.S., and that its employee relations are very good.

Equipment

The Company has the largest trucking fleet in Canada and a significant presence in the U.S. market. As at September 30, 2017, the Company had 7,368 power units, 25,105 trailers and 9,647 independent contractors. This compares to 5,348 power units, 17,386 trailers and 10,123 independent contractors as at September 30, 2016. The increases in power units and trailers are due to business acquisitions.

Terminals

TFI International's head office is in Montréal, Québec and its executive office is located in Etobicoke, Ontario. As at September 30, 2017, the Company had 392 terminals. Of these, 283 are located in Canada, 180 and 103, respectively, in Eastern and Western Canada. The Company also had 97 terminals in the United States and 12 terminals in Mexico. This compares to 369 terminals as at September 30, 2016. In the last twelve months, 58 terminals were added from business acquisitions and

the terminal consolidation decreased the total number of terminals by 35, mainly in the Package and Courier and TL segments. In Q3 2017, the Company closed 11 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 forged strategic partnerships with other transport companies in order to extend its service offering to customers across North America.

Revenue by Top Customers' Industry (45% of total revenue)	
Retail	32%
Manufactured Goods	16%
Automotive	9%
Services	6%
Food & Beverage	6%
Energy	6%
Metals & Mining	5%
Forest Products	5%
Building Materials	4%
Chemicals & Explosives	3%
Maritime Containers	3%
Others	5%

(As of June 30, 2017)

CONSOLIDATED RESULTS

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

2017 business acquisitions

In line with the Company's growth strategy, the Company acquired five businesses during 2017, notably World Courier Ground U.S. ("World Courier Ground"), Cavalier Transportation Services Inc. ("Cavalier") and Les entreprises Dupont 1972 Inc. ("Dupont").

On January 13, 2017, the Company completed the acquisition of World Courier Ground, the U.S. ground transportation division of World Courier. 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 continues to operate the business under the new name TForce Critical.

On January 28, 2017, the Company completed the acquisition of Cavalier. Established in 1979, Cavalier's operations consist of LTL services, brokerage and warehousing. Based in Bolton, Ontario, Cavalier serves corridors primarily between Ontario, Quebec, New York and Illinois.

On May 28, 2017, the Company completed the acquisition of Dupont, a specialty truckload business based on the south shore of Montreal. Dupont is Quebec's leading bulk cement transport company, also serving Ontario, the Maritimes, Labrador and the United States with its expert team and state-of-the-art equipment.

These cash-settled transactions were concluded in order to add density in the Company's current network and further expand value-added services. The five acquired businesses contributed revenue of \$93.5 million in 2017.

Revenue from continuing operations

TFI International reported a revenue increase from continuing operations mainly as a result of business acquisitions offset by revenue declines in existing operations. For the third quarter ended September 30, 2017, total revenue from continuing operations increased by \$179.0 million, or 18%, to \$1,154.4 million from \$975.5 million in Q3 2016. This increase is mainly due to a \$225.3 million contribution from business acquisitions. Total revenue from existing operations decreased by 5%, or \$46.3 million. This was due to volume decreases of \$39.3 million and a negative currency impact of \$9.6 million offset by

a fuel surcharge increase of \$2.6 million. The average exchange rate used to convert TFI International's revenue generated in U.S. dollars was 4.0% lower this quarter (C\$1.2528) than it was for the same quarter last year (C\$1.3046). With respect to revenue before fuel surcharge from existing operations, increases in the Logistics segment were offset by decreases in the other segments.

For the first nine months of 2017, total revenue from continuing operations increased by \$671.1 million, or 23%, to \$3.56 billion from \$2.89 billion in the same period in 2016. The contribution from business acquisitions of \$697.8 million and higher fuel surcharge was offset by decreases in volumes from existing operations. On a year to date basis, the currency movements had a slight negative impact of \$8.4 million on revenue before fuel surcharge from continuing operations.

Operating expenses from continuing operations

For the third quarter, the Company's operating expenses from continuing operations increased by \$187.7 million, or 21%, from \$906.2 million in Q3 2016 to \$1,093.9 million in Q3 2017. The increase is mainly attributable to business acquisitions for \$233.6 million offset by volume decreases in existing operations.

Excluding business acquisitions, operating expenses decreased by \$45.9 million, or 5%, in line with the revenue decline from existing operations. Particularly, materials and services expenses and personnel expenses decreased respectively 5% and 4%. 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, decreased by 7% as a result of rationalization and terminal optimization achieved in the previous quarters.

For the three-month period ended September 30, 2017, depreciation of property and equipment increased by \$20.2 million. Excluding business acquisitions, depreciation of property and equipment decreased by \$1.7 million, or 5%, as a result of the Company's consistent focus on adjusting capacity to match fluctuations in demand and to optimize capital allocation by using more subcontractors. For the same period, intangible asset amortization increased by \$2.9 million, on a consolidated basis, mainly due to business acquisitions.

The Company recorded lower gains on its recurring sale of rolling stock and equipment compared to last year (Q3 2017 showed a loss of \$0.1 million and Q3 2016 showed a gain of \$2.1 million). The recurring gain that the Company normally generates from its sales of rolling stock and equipment was reduced by losses generated by the fleet renewal plan for CFI during this quarter, which amounted to \$2.7 million. These losses are not expected to continue after the CFI fleet renewal plan is complete.

The operating ratio¹, a non-IFRS measure, was 94.2% in this quarter, compared to 92.3% for Q3 2016. This ratio was negatively impacted by a lower contribution from the U.S. TL operating segment. Excluding business acquisitions, the operating ratio improved by 40 basis points to 91.9% as a result of strict expense management.

For the nine-month period ended September 30, 2017, operating expenses from continuing operations increased by \$673.7 million, or 25%, from \$2.71 billion in 2016 to \$3.38 billion in 2017. The increase is mainly attributable to business acquisitions for \$715.6 million offset by decreases in volumes from existing operations.

Operating income from continuing operations

For the third quarter, TFI International's operating income from continuing operations decreased by \$8.8 million to \$60.5 million compared to \$69.3 million in 2016 mainly due to an operating loss from business acquisitions of \$8.3 million.

The negative contribution from business acquisitions is mainly attributable to CFI, primarily operating in the challenging U.S. TL market. In addition to the sluggish freight environment, CFI incurred one-time transitional and rebranding costs of \$3.2 million caused by its separation from XPO Logistics, the previous owner. Furthermore, an aggressive replacement program for its rolling stock has been put in place for the next several quarters, resulting in higher equipment relocation expenses. Until the replacement program has been fully implemented, increased maintenance costs for out-of-warranty equipment will continue to impact profitability.

Management's consistent focus on the quality of revenue may have slightly reduced revenue before fuel surcharge, but this strategy in conjunction with cost control benefited the Company. As a percentage of revenue before fuel surcharge, the operating margin from existing operations increased by 40 basis points from 7.7% in last year's Q3 to 8.1%. On a consolidated basis, the operating margin decreased by 190 basis points to 5.8%.

For the nine-month period ended September 30, 2017, TFI International's operating income from continuing operations decreased by \$2.5 million to \$177.0 million compared to \$179.5 million in 2016. The decrease is attributable to an operating loss from business acquisitions of \$17.8 million offset by improvement from existing operations' operating income for \$15.3 million.

Gain on sale of property from continuing operations

The gain on sale of property, which is accounted for in gain or loss on sale of land and buildings and in gain or loss of sale of assets held for sale in the consolidated statements of income, was \$70.1 million in Q3 2017, compared to \$3.2 million in the prior year period. In particular, TFI International unlocked

¹ Refer to the section "Non-IFRS financial measures".

shareholder value with a sale and leaseback transaction on selected real estate assets. The all cash transaction of \$135.7 million, which included two facilities in each of Montreal and Toronto, resulted in a pre-tax gain of \$69.8 million. The group of properties included in the transaction represented less than 20% of the net book value of the Company's total real estate portfolio.

Impairment of intangible assets from continuing operations

For the nine-month period ended September 30, 2017, impairment of intangible assets was \$143.0 million. The non-cash impairment charges of 2017 were \$13.2 million for an impairment to the Dynamex trade name recorded in the first quarter, and \$129.8 million for a goodwill impairment in the U.S. TL operating segment recorded in Q2 due to a weak performance resulting from downward pricing pressures experienced by the industry as a result of high competitiveness, limited economic activity growth and upward cost pressures adversely impacting operating cost per mile and operating margins.

Finance income and costs from continuing operations

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Third quarters ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Finance costs (income)				
Interest expense on long-term debt	14,453	8,442	43,656	29,270
Interest income and accretion on promissory note	(643)	(639)	(1,913)	(1,722)
Net foreign exchange loss	585	315	2,501	3,317
Net change in fair value of foreign exchange derivatives	(370)	(122)	(1,121)	(1,263)
Net change in fair value of interest rate derivatives	(304)	(3,687)	(558)	8,924
Others	2,905	2,372	5,013	5,090
Net finance costs	16,626	6,681	47,578	43,616

Interest expense on long-term debt

Interest expense on long-term debt for the three- and nine-month periods ended September 30, 2017 increased by \$6.0 million and \$14.4 million, respectively, mainly due to higher borrowings as a result of the Q4 2016 significant business acquisitions.

Net foreign exchange gain or loss and net investment hedge

The Company designates as a hedge a portion of its 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 foreign exchange gains or losses recorded in income or loss are attributable to the U.S. dollar portion of the Company's credit facility not designated as a hedge and to other assets and liabilities denominated in foreign currencies. For the three- and nine-month periods ended September 30, 2017, \$14.1 million and \$27.0 million of foreign exchange gains, respectively (\$12.2 million and \$23.4 million net of tax, respectively), were recorded to other comprehensive income as net investment hedge.

Net change in fair value of derivatives and cash flow hedge

The Company designates, as a hedge of the variable interest rate instruments (credit facility), the interest rate derivatives. Therefore the effective portion of changes in fair value of the derivatives is recognized in other comprehensive income. For the three- and nine-month periods ended September 30, 2017, \$2.3 million and \$3.0 million of gain on change in fair value of interest rate derivatives, respectively (\$1.7 million and \$2.2 million net of tax, respectively), was recorded to other comprehensive income as a change in the fair value of the cash flow hedge.

The Company's derivative financial instruments, which are used to mitigate foreign exchange and interest rate risks, saw their fair values increase by \$3.0 million in Q3 2017, of which \$2.3 million was designated as cash flow hedge, while in the same quarter last year their fair values increased by \$3.8 million. For the nine-month period ended September 30, 2017, their fair values increased by \$4.7 million, of which \$3.0 million was designated as cash flow hedge, compared to a loss of \$7.7 million in the same period in 2016. The derivatives' fair values are subject to market price fluctuations in foreign exchange and interest rates.

Others

The other financial expenses mainly comprise bank charges, the net change in fair value of the Company's deferred share unit liability and the reclassification to income of gain on investment in equity securities.

Income tax expense from continuing operations

For the three-month period ended September 30, 2017, the effective tax rate was 13.3%. The income tax expense of \$15.2 million reflects a \$15.4 million favourable variance versus an anticipated income tax expense of \$30.6 million based on the Company's statutory tax rate of 26.8%. The favourable variance is mainly due to variance from non-taxable income, mainly capital gains, of \$8.9 million and to positive differences between the statutory rate and the effective rates in other jurisdictions of \$6.1 million.

For the nine-month period ended September 30, 2017, the effective tax rate was 41.6%. The income tax expense of \$27.0 million reflects a \$9.6 million unfavourable variance versus an anticipated income tax expense of \$17.4 million based on the Company's statutory tax rate of 26.8%. The unfavourable variance is mainly due to the non-tax effected goodwill impairment, which negative variance was \$34.8 million and to tax on multi-jurisdiction distributions, of \$2.4 million, offset by other positive differences between the statutory rate and the effective rates in other jurisdictions of \$17.1 million, and to positive

variance from non-taxable income, mainly capital gains, of \$10.6 million. The more significant favourable variance from effective rates in other jurisdictions is attributable, in part, to the impairment of intangible assets portion attributable to the U.S. operations. Having a higher effective tax rate, this charge reduces the income tax expense in a larger proportion compared to the Company's statutory tax rate of 26.8%.

The table below presents the 2017 income tax reconciliation excluding the non-tax effected goodwill impairment recorded in Q2 2017:

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Nine months ended September 30, 2017	
	%	\$
Income before income tax		64,767
Goodwill impairment		129,770
Income before goodwill impairment and income tax		194,537
Income tax using the Company's statutory tax rate	26.8%	52,136
Increase (decrease) resulting from:		
Rate differential between jurisdictions	-8.8%	(17,140)
Variation in tax rate	0.1%	170
Non-deductible expenses	1.2%	2,344
Tax exempt income	-5.4%	(10,599)
Adjustment for prior years	-1.2%	(2,320)
Tax on multi-jurisdiction distributions	1.2%	2,379
	13.9%	26,970

Net income from discontinued operations

As a result of the divestiture of its Waste Management segment, which was completed on February 1, 2016, and the Company's decision to cease its operations in rig moving services in 2015, 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- and nine-month periods ended September 30, 2017, no income from discontinued operations was recorded. Last year, the net income from discontinued operations for the first nine months was \$483.6 million and included a pre-tax gain on sale of the Waste Management segment in the amount of \$559.2 million or \$490.8 million net of tax.

Net income and adjusted net income from continuing operations

<i>(unaudited)</i> <i>(in thousands of dollars, except per share data)</i>	Third quarters ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Net income	98,774	51,503	37,796	594,240
Amortization of intangible assets related to business acquisitions, net of tax	9,870	7,701	28,224	23,510
Net change in fair value of derivatives, net of tax	(494)	(2,790)	(1,231)	5,614
Net foreign exchange loss, net of tax	428	230	1,833	2,430
Gain on sale of land and buildings and assets held for sale, net of tax	(59,735)	(2,727)	(67,134)	(5,444)
Impairment of intangible assets, net of tax	-	-	138,438	-
Net income from discontinued operations	-	(434)	-	(483,568)
Adjusted net income from continuing operations¹	48,843	53,483	137,926	136,782
Adjusted EPS from continuing operations¹ – basic	0.54	0.58	1.52	1.45
Adjusted EPS from continuing operations¹ – diluted	0.53	0.57	1.50	1.42

For the three-month period ended September 30, 2017, TFI International's net income was \$98.8 million compared to \$51.5 million in Q3 2016. The increase of \$47.3 million is mainly attributable to the \$59.7 million gain on sale of land and buildings and assets held for sale, net of tax. The Company's adjusted net income from continuing operations¹, a non-IFRS measure, which excludes items listed in the above table, was \$48.8 million for the third quarter compared to \$53.5 million in Q3 2016, down 9% or \$4.7 million mostly due to negative contribution from business acquisitions. The adjusted EPS from continuing operations, fully diluted, decreased by 7% to 53 cents.

For the nine-month period ended September 30, 2017, TFI International's net income was \$37.8 million compared to \$594.2 million for the same period in 2016. The decrease is mainly attributable to last year's net income from discontinued operations of \$483.6 million (pre-tax gain on sale of the Waste Management segment in the amount of \$559.2 million or \$490.8 million net of tax) and to the intangible impairment charge of \$138.4 million, net of tax, offset by the gain on sale of property. The Company's adjusted net income from continuing operations, which excludes these items, was stable at \$137.9 million for the first nine months of 2017.

¹ Refer to the section "Non-IFRS financial measures".

SEGMENTED RESULTS

For the purpose of this section, adjusted EBITDA from continuing operations 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
Q3 2017							
Revenue before fuel surcharge	305,496	198,701	483,198	72,929	-	(12,139)	1,048,185
% of total revenue ¹	28%	19%	46%	7%			100%
Adjusted EBITDA	39,811	20,812	66,401	7,738	(6,569)	-	128,193
Adjusted EBITDA margin ²	13.0%	10.5%	13.7%	10.6%			12.2%
Operating income (loss)	31,399	13,417	16,572	6,334	(7,175)	-	60,547
Operating margin ²	10.3%	6.8%	3.4%	8.7%			5.8%
Net capital expenditures ^{3, 4}	882	(115,934)	45,060	496	438		(69,058)
Q3 2016 (restated)							
Revenue before fuel surcharge	321,183	185,378	346,254	58,126	-	(13,493)	897,448
% of total revenue ¹	35%	21%	38%	6%			100%
Adjusted EBITDA	41,059	22,073	52,184	5,966	(7,491)	-	113,791
Adjusted EBITDA margin ²	12.8%	11.9%	15.1%	10.3%			12.7%
Operating income (loss)	32,804	14,745	24,690	5,049	(8,031)	-	69,257
Operating margin ²	10.2%	8.0%	7.1%	8.7%			7.7%
Net capital expenditures ⁵	1,195	1,234	8,083	(3,798)	247		6,961
YTD 2017							
Revenue before fuel surcharge	949,969	604,412	1,485,304	220,543	-	(37,395)	3,222,833
% of total revenue ¹	28%	19%	46%	7%			100%
Adjusted EBITDA	114,051	61,465	206,312	23,660	(22,024)	-	383,464
Adjusted EBITDA margin ²	12.0%	10.2%	13.9%	10.7%			11.9%
Operating income (loss)	88,602	38,090	54,657	19,320	(23,715)	-	176,954
Operating margin ²	9.3%	6.3%	3.7%	8.8%			5.5%
Total assets	666,428	577,683	2,265,476	187,105	54,212		3,750,904
Net capital expenditures ⁴	7,193	(143,463)	117,550	445	673		(17,602)
YTD 2016 (restated)							
Revenue before fuel surcharge	949,315	550,777	1,039,864	171,035	-	(42,949)	2,668,042
% of total revenue ¹	34%	21%	39%	6%			100%
Adjusted EBITDA	106,160	56,864	156,347	17,432	(22,395)	-	314,408
Adjusted EBITDA margin ²	11.2%	10.3%	15.0%	10.2%			11.8%
Operating income (loss)	80,786	34,590	73,479	14,638	(23,945)	-	179,548
Operating margin ²	8.5%	6.3%	7.1%	8.6%			6.7%
Total assets	685,213	632,685	1,518,441	131,320	39,595		3,007,254
Net capital expenditures ⁵	8,055	5,109	27,961	(3,775)	441		37,791

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. Effective January 1, 2017, the composition of reportable segments was modified to better reflect certain changes in the Company's internal organization. In particular, TF Dedicated, which was previously included in the Package and Courier operating segment, became an independent operation and was reclassified to the TL segment. In addition, a Contrans' LTL division, which was previously included in the TL segment, was reclassified to the LTL segment in order to better reflect the nature of services provided. 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 YTD 2017 net capital expenditures include proceeds from the sale of property for consideration of \$148.3 million in the LTL segment (\$117.5 million in Q3) and of \$7.5 million in the TL segment (nil in Q3).

⁵ YTD 2016 net capital expenditures include proceeds from the sale of property for consideration of \$2.0 million in the LTL segment (\$1.7 million in Q3), of \$10.1 million in the TL segment (nil in Q3) and of \$3.7 million in the Logistics segment (\$3.7 million in Q3).

Package and Courier

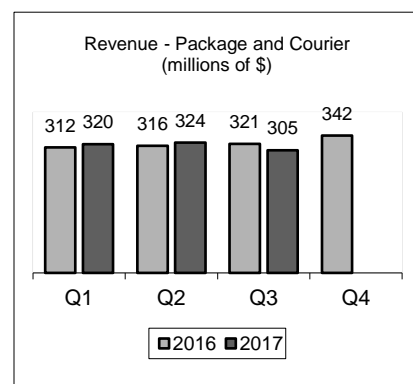
(unaudited) - (in thousands of dollars)	Third quarters ended September 30				Nine months ended September 30			
	2017	%	2016	%	2017	%	2016	%
Total revenue	326,979		340,458		1,017,037		1,000,935	
Fuel surcharge	(21,483)		(19,275)		(67,068)		(51,620)	
Revenue	305,496	100.0%	321,183	100.0%	949,969	100.0%	949,315	100.0%
Materials and services expenses (net of fuel surcharge)	171,150	56.0%	186,239	58.0%	537,623	56.6%	559,946	59.0%
Personnel expenses	70,237	23.0%	68,248	21.2%	218,913	23.0%	202,835	21.4%
Other operating expenses	24,281	7.9%	25,558	8.0%	79,539	8.4%	80,290	8.5%
Depreciation of property and equipment	4,170	1.4%	4,400	1.4%	12,985	1.4%	13,699	1.4%
Amortization of intangible assets	4,242	1.4%	3,855	1.2%	12,464	1.3%	11,675	1.2%
(Gain) loss on sale of rolling stock and equipment	17	0.0%	79	0.0%	(157)	0.0%	84	0.0%
Operating income	31,399	10.3%	32,804	10.2%	88,602	9.3%	80,786	8.5%
Adjusted EBITDA	39,811	13.0%	41,059	12.8%	114,051	12.0%	106,160	11.2%
Loss on sale of land and buildings	(26)		-		(112)		(8)	
Gain on sale of assets held for sale	9,156		-		9,156		-	
Impairment of intangible assets	-		-		(13,211)		-	

Revenue

On January 13, 2017, the Company purchased World Courier Ground U.S. (now operating under the new name TForce Critical), an asset light, time critical courier. 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.

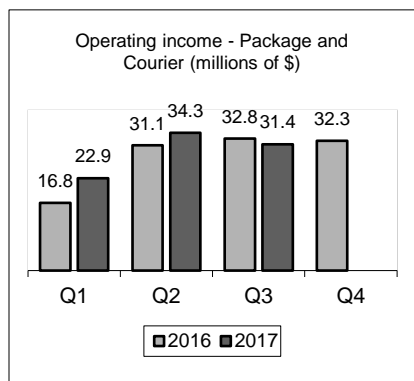
For the quarter ended September 30, 2017, revenue decreased by \$15.7 million, or 5%, from \$321.2 million to \$305.5 million compared to the same period in the prior year. The decrease is due to an unfavourable foreign exchange impact of \$3.5 million and loss of volume of \$29.3 million offset by business acquisitions for \$17.1 million. Excluding business acquisitions, revenue for the three-month period ended September 30, 2017 decreased by \$32.8 million or 10% from prior year mainly coming from restructuring and volume decreases in the same-day business.

For the nine-month period ended September 30, 2017, revenue increased by \$0.7 million from \$949.3 million to \$950.0 million compared to the same period in the prior year; increases from business acquisitions were offset by volume decreases.


Operating expenses

For the quarter ended September 30, 2017, the Package and Courier segment's operating expenses decreased by \$14.3 million, or 5%, from \$288.4 million in 2016 to \$274.1 million. Material and services expenses decreased by 200 basis points as a percentage of revenue attributable to lower subcontractor expenses in the same-day operations. Personnel expenses increased 180 basis points as a percentage of revenue in part due to new business acquisitions as they are more labor intensive.

For the nine-month period ended September 30, 2017, the Package and Courier segment's operating expenses decreased by \$7.1 million from \$868.5 million in 2016 million to \$861.4 million. Materials and services expenses were down \$22.3 million or 4% for the nine-month period ended September 30, 2017 mainly due to loss of volume in the same-day business. Personnel expenses as a percentage of revenue before fuel surcharge were 160 basis points higher partly due to employee termination costs which amounted to \$4.0 million.


Operating income

The Company's operating income in the Package and Courier segment for the quarter ended September 30, 2017 decreased by 4% or \$1.4 million compared to the third quarter of 2016, from \$32.8 million to \$31.4 million due to decreases in revenue.

For the nine-month period ended September 30, 2017, operating income increased by 10% or \$7.8 million compared to the same period in 2016, from \$80.8 million to \$88.6 million. The operating margin increased 80 basis points year-over-year mainly from existing operations to reach 9.3% as a result of better business mix and cost reduction measures.

Gain or loss on sale of property and impairment of intangible assets

A gain on sale of assets held for sale of \$9.2 million was recorded in this segment mainly due to a portion of the Company's sale and leaseback transaction completed in Q3 2017.

In Q1 2017, TFI International also rebranded the divisions Dynamex Canada, Dynamex U.S. and Hazen Final Mile into TForce Final Mile. The establishment of the new North American division should maximize opportunities in the growing same-day business, last mile delivery category and is in line with the Company's focus on the e-commerce sector. This resulted in an impairment charge to the original trademark intangible assets related to these businesses of \$13.2 million. The future amortization period of the residual intangible related to these trademarks has been reduced to 4 years with no significant impact on the yearly amortization expense.

Less-Than-Truckload

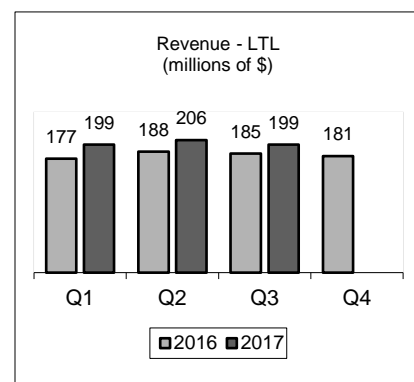
<i>(unaudited) - (in thousands of dollars)</i>	Third quarters ended September 30				Nine months ended September 30			
	2017	%	2016	%	2017	%	2016	%
Total revenue	226,234		209,400		691,625		619,928	
Fuel surcharge	(27,533)		(24,022)		(87,213)		(69,151)	
Revenue	198,701	100.0%	185,378	100.0%	604,412	100.0%	550,777	100.0%
Materials and services expenses (net of fuel surcharge)	103,939	52.3%	96,914	52.3%	314,469	52.0%	287,496	52.2%
Personnel expenses	55,624	28.0%	52,428	28.3%	173,247	28.7%	162,281	29.5%
Other operating expenses	18,354	9.2%	14,066	7.6%	55,159	9.1%	44,615	8.1%
Depreciation of property and equipment	4,933	2.5%	5,136	2.8%	16,162	2.7%	15,668	2.8%
Amortization of intangible assets	2,462	1.2%	2,192	1.2%	7,213	1.2%	6,606	1.2%
(Gain) loss on sale of rolling stock and equipment	(28)	0.0%	(103)	-0.1%	72	0.0%	(479)	-0.1%
Operating income	13,417	6.8%	14,745	8.0%	38,090	6.3%	34,590	6.3%
Adjusted EBITDA	20,812	10.5%	22,073	11.9%	61,465	10.2%	56,864	10.3%
Gain on sale of land and buildings	9		1,528		25		1,778	
Gain on sale of assets held for sale	60,959		-		69,206		-	

Revenue

On January 28, 2017, the Company acquired Cavalier Transportation Services Inc. ("Cavalier"). Cavalier provides domestic and U.S. services in the Great Lakes region in the LTL and Logistics segments.

For the three-month period ended September 30, 2017, the LTL segment's revenue increased by 7%, or \$13.3 million, from \$185.4 million to \$198.7 million, mainly due to business acquisitions. Excluding business acquisitions, revenue decreased by 6% or \$11.1 million, from \$185.4 million to \$174.3 million. The decrease is largely due to volume decline from the U.S. and negative foreign currency movements of \$0.8 million.

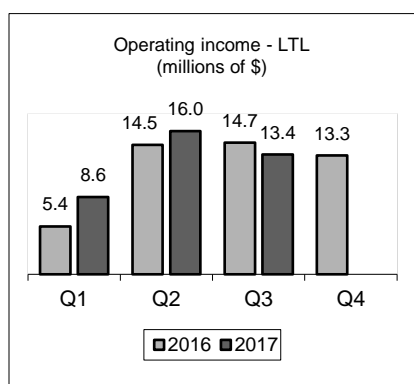
For the nine-month period ended September 30, 2017, revenue increased by 10%, or \$53.6 million, from \$550.8 million to \$604.4 million mainly due to business acquisitions for \$73.8 million, partially offset by decreases from existing operations.



Operating expenses

For the third quarter of 2017, operating expenses were up 9%, or \$14.7 million, to \$185.3 million compared to \$170.6 million in Q3 2016 mainly from business acquisitions. Excluding business acquisitions, operating expenses were down by 5%, or \$9.0 million due to the decline in revenue. Operating expenses from existing operations as a percentage of revenue were 92.7%, a deterioration of 70 basis points over the same quarter last year due to volume loss from the U.S. As a result, the Company implemented a restructuring plan in the Company's Eastern Canadian LTL network and incurred employee termination expenses of \$1.1 million.

For the nine-month period ended September 30, 2017, operating expenses were up 10%, or \$50.1 million, to \$566.3 million compared to \$516.2 million last year, mainly attributable to business acquisitions offset by reduction in operating expenses from existing operations due to volume decline.



Operating income

For the quarter ended September 30, 2017, operating income decreased by \$1.3 million or 9% from \$14.7 million to \$13.4 million mainly due to volume decreases in existing operations and a lower operating margin.

For the nine-month period ended September 30, 2017, operating income increased by \$3.5 million to \$38.1 million from \$34.6 million in 2016 mainly due to 60 basis points of margin improvements from existing operations, which contributed to its operating income increase of \$2.2 million.

Gain on sale of property

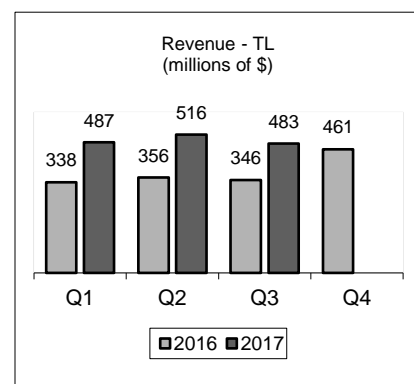
A gain on sale of assets held for sale of \$61.0 million was recorded in this segment mainly due to a portion of the Company's sale and leaseback transaction completed in Q3 2017. In Q2 2017, the Company also completed a sale and leaseback transaction which resulted in a gain of \$8.2 million.

Truckload

(unaudited) - (in thousands of dollars)	Third quarters ended September 30				Nine months ended September 30			
	2017	%	2016	%	2017	%	2016	%
Total revenue	539,908		379,839		1,664,114		1,135,258	
Fuel surcharge	(56,710)		(33,585)		(178,810)		(95,394)	
Revenue	483,198	100.0%	346,254	100.0%	1,485,304	100.0%	1,039,864	100.0%
Materials and services expenses (net of fuel surcharge)	246,904	51.1%	183,976	53.1%	750,758	50.5%	549,198	52.8%
Personnel expenses	153,833	31.8%	97,462	28.1%	481,924	32.4%	296,197	28.5%
Other operating expenses	15,748	3.3%	14,661	4.2%	49,364	3.3%	45,002	4.3%
Depreciation of property and equipment	42,333	8.8%	21,667	6.3%	130,256	8.8%	65,106	6.3%
Amortization of intangible assets	7,496	1.6%	5,827	1.7%	21,399	1.4%	17,762	1.7%
(Gain) loss on sale of rolling stock and equipment	312	0.1%	(2,029)	-0.6%	(3,054)	-0.2%	(6,880)	-0.7%
Operating income	16,572	3.4%	24,690	7.1%	54,657	3.7%	73,479	7.1%
Adjusted EBITDA	66,401	13.7%	52,184	15.1%	206,312	13.9%	156,347	15.0%
Gain (loss) on sale of land and buildings	-		-		(75)		3,157	
Gain on sale of assets held for sale	-		-		172		-	
Impairment of intangible assets	-		-		(129,770)		-	

Revenue

For the three-month period ended September 30, 2017, TL revenue increased by \$136.9 million or 40%, from \$346.3 million in Q3 2016 to \$483.2 million. This increase is attributable to business acquisitions, mainly the acquisition of CFI in the last quarter of 2016. These business acquisitions contributed \$147.1 million to the TL revenue increase. Excluding these business acquisitions, TL revenue decreased by \$10.2 million or 3% compared to the same quarter last year. Part of this revenue decrease is explained by unfavorable currency fluctuations of \$4.5 million and the remaining decrease comes from declines, particularly in the U.S. TL divisions where pressure was high on both volume and rates. The U.S. divisions also had to cope with the damages caused by the recent hurricanes Harvey and Irma. The negative impact on revenue from these unfortunate events sums to \$2.6 million in the third quarter mainly due to disruptions of production which led to fewer loads hauled. Despite the immediate downside of this natural catastrophe, rebuilding efforts will necessitate more trucking volume in the medium and long term.

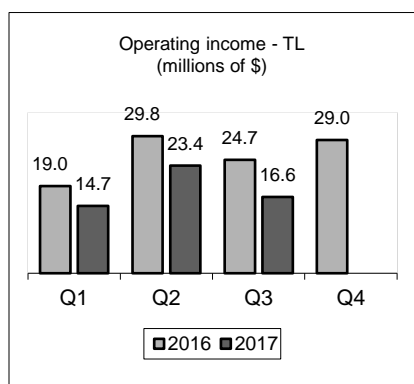


As part of its asset-light strategy, the TL segment increased its brokerage revenue by 7%, or \$3.6 million, to \$56.0 million, on a year-over-year basis.

For the nine-month period ended September 30, 2017, revenue increased by \$445.4 million from \$1,039.9 million in 2016 to \$1,485.3 million in 2017. This increase is mainly due to business acquisitions which contributed \$460.0 million to the increase. Excluding business acquisitions, revenue decreased by 1%. The year-to-date unfavorable foreign currency impact was \$3.8 million.

Operating expenses

Operating expenses increased by \$145.1 million or 45% from \$321.6 million in Q3 2016 to \$466.6 million in Q3 2017 mainly from business acquisitions. After completing the acquisition of CFI, several one-time expenses have been incurred to transition to a stand-alone company and to rebrand the existing fleet. In addition, in order to return to a normal level of rolling stock repair and maintenance expense, an extensive program of fleet renewal has been put in place. As a result, non-recurring transition costs related to the acquisition of CFI totalled \$3.2 million in Q3 2017 or \$17.6 million on a year-to-date basis. Excluding business acquisitions, operating expenses decreased by 4% or \$12.6 million which is slightly greater than the 3% decrease in revenue. This is explained by lower accident costs of \$2.0 million and the TL segment diligently working to align its cost structure to demand. The Company continues to focus on being cost-conscious and its priority remains to improve the efficiency and profitability of its existing fleet and network of independent contractors.



For the nine-month period ended September 30, 2017, operating expenses increased by \$464.3 million or 48% mainly due to business acquisitions. Excluding business acquisitions, operating expenses decreased by \$20.8 million or 2% compared to a 1% decrease in revenue on a year-to-date basis, resulting in a 70 basis point improvement as a percentage of revenue before fuel surcharge.

Operating income

The Company's operating income in the TL segment for the quarter ended September 30, 2017 decreased by \$8.1 million from \$24.7 million in the prior year period to \$16.6 million, mainly due the acquisition of CFI and its significant transition costs as mentioned above. In addition, the U.S. market is still challenging in regard to rate and volume which heavily impact the U.S. TL operating divisions. Initiatives aimed at equipment cost reductions have yet to be fully achieved. The recurring gain that the Company normally generates from its sales of rolling stock and equipment was reduced by losses generated by the fleet

renewal plan for CFI during this quarter. These losses are not expected to continue after the CFI fleet renewal plan is complete. Also, hurricanes Harvey and Irma negatively impacted the U.S. TL operating segment by \$0.6 million.

Excluding business acquisitions, for the quarter ended September 30, 2017, operating income increased by \$2.5 million, or 100 basis points as a percentage of revenue before fuel surcharge, from Q3 2016 mainly from improvement in both the Canadian conventional and specialized TL operations.

For the nine-month period ended September 30, 2017, the operating margin was 3.7% compared to 7.1% in the same period in 2016. Excluding business acquisitions, the operating margin increased by 70 basis points to 7.8%. The TL segment will continue to focus on cost initiatives to improve its margins in light of the stable Canadian freight market and the difficult U.S. freight market.

Impairment of intangible assets

For the nine-month period ended September 30, 2017, impairment of intangible assets was \$129.8 million. A goodwill impairment charge was recorded in the U.S. TL operating segment in Q2 due to a weak performance resulting from downward pricing pressures experienced by the industry as a result of high competitiveness, limited economic activity growth and upward cost pressures adversely impacting operating cost per mile and operating margins.

Logistics

<i>(unaudited) - (in thousands of dollars)</i>	Third quarters ended September 30				Nine months ended September 30			
	2017	%	2016	%	2017	%	2016	%
Total revenue	74,638		59,256		225,782		174,302	
Fuel surcharge	(1,709)		(1,130)		(5,239)		(3,267)	
Revenue	72,929	100.0%	58,126	100.0%	220,543	100.0%	171,035	100.0%
Materials and services expenses (net of fuel surcharge)	52,393	71.8%	42,514	73.1%	158,133	71.7%	123,522	72.2%
Personnel expenses	9,558	13.1%	6,965	12.0%	28,568	13.0%	21,862	12.8%
Other operating expenses	3,434	4.7%	2,745	4.7%	10,421	4.7%	8,402	4.9%
Depreciation of property and equipment	284	0.4%	315	0.5%	803	0.4%	982	0.6%
Amortization of intangible assets	1,120	1.5%	602	1.0%	3,537	1.6%	1,812	1.1%
Gain on sale of rolling stock and equipment	(194)	-0.3%	(64)	-0.1%	(239)	-0.1%	(183)	-0.1%
Operating income	6,334	8.7%	5,049	8.7%	19,320	8.8%	14,638	8.6%
Adjusted EBITDA	7,738	10.6%	5,966	10.3%	23,660	10.7%	17,432	10.2%
Gain on sale of land and buildings	-		1,639		-		1,639	

Revenue

For the quarter ended September 30, 2017, revenue from the Logistics segment increased by 25% or \$14.8 million year-over-year, from \$58.1 million to \$72.9 million. Excluding business acquisitions, revenue increased by 6%, or \$3.7 million, attributable to higher volumes by new and current customers and some non-recurring business.

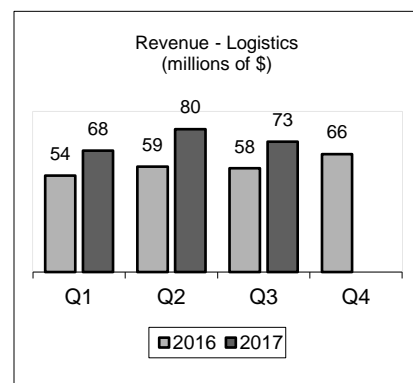
For the nine-month period ended September 30, 2017, revenue increased by 29% or \$49.5 million year-over-year, from \$171.0 million to \$220.5 million. Excluding business acquisitions, revenue increased by 10%, or \$16.6 million, attributable to higher volumes by new and current customers and some non-recurring business.

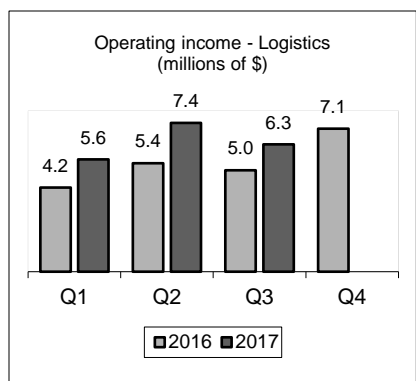
Operating expenses

For the quarter ended September 30, 2017, operating expenses increased 25% or \$13.5 million compared to the third quarter of 2016, from \$53.1 million to \$66.6 million. This increase was mostly attributable to higher year-over-year revenues. Materials and services expenses represented 71.8% of revenue before fuel surcharge, an improvement of 130 basis points when compared to last year's same quarter. Personnel expenses represented 13.1% as a percentage of revenue before fuel surcharge, an increase of 110 basis points when compared to last year's same quarter mostly due to business acquisitions.

For the three- and nine-month period ended September 30, 2017, amortization of intangible assets increased due to business acquisitions.

For the nine-month period ended September 30, 2017, operating expenses increased by 29% or \$44.8 million compared to 2016, from \$156.4 million to \$201.2 million. This increase was mostly attributable to higher year-over-year revenues.





Operating income

The Company's operating income in the Logistics segment for the quarter ended September 30, 2017 increased 25% or \$1.3 million compared to the third quarter of 2016, from \$5.0 million to \$6.3 million attributable to higher year-over-year revenues.

For the nine-month period ended September 30, 2017, operating income increased 32% or \$4.7 million compared to 2016, from \$14.6 million to \$19.3 million. The Logistics segment's operating margin increased 20 basis points year-over-year mainly as a result of business acquisitions.

LIQUIDITY AND CAPITAL RESOURCES

Sources and uses of cash

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Third quarters ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Sources of cash:				
Net cash from operating activities from continuing operations	128,912	88,302	256,453	228,093
Proceeds from sale of property and equipment	29,404	12,902	67,940	41,752
Proceeds from sale of assets held for sale	117,459	-	155,639	-
Net variance in cash and bank indebtedness	-	-	20,903	-
Net cash from discontinued operations	-	7,686	-	765,705
Others	1,153	-	9,170	-
Total sources	276,928	108,890	510,105	1,035,550
Uses of cash:				
Purchases of property and equipment	83,377	19,863	192,998	79,426
Business combinations, net of net cash acquired	2,580	-	88,267	22,968
Net variance in cash and bank indebtedness	2,406	17,467	-	10,857
Net repayment of long-term debt	162,957	7,985	73,501	718,088
Dividends paid	17,121	15,800	51,930	48,543
Repurchase of own shares	8,476	41,752	50,985	150,108
Net cash used in discontinued operations	11	-	52,424	-
Others	-	6,023	-	5,560
Total usage	276,928	108,890	510,105	1,035,550

Cash flow from operating activities from continuing operations

For the nine-month period ended September 30, 2017, net cash from operating activities from continuing operations increased by 12% from \$228.1 million in 2016 to \$256.5 million. This \$28.4 million increase is mainly attributable to higher cash flow from operating activities from continuing operations before net changes in non-cash operating working capital for \$72.9 million, which improvement came from business acquisitions and existing operations, offset by higher cash used for net changes in non-cash operating working capital of \$25.8 million and higher interest paid, for \$20.6 million. The net change in non-cash operating working capital was negative \$21.0 million in 2017, mainly due to higher receivables, compared to a positive contribution in 2016.

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- and nine-month periods ended September 30, 2017 and 2016.

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Third quarters ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Additions to property and equipment:				
Purchases as stated on cash flow statements	83,377	19,863	192,998	79,426
Additions that did not affect cash	(5,572)	-	12,979	117
	77,805	19,863	205,977	79,543
Additions by category:				
Land and buildings	2,975	4,777	5,877	7,426
Rolling stock	71,415	13,866	190,096	65,675
Equipment	3,415	1,220	10,004	6,442
	77,805	19,863	205,977	79,543

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 this conversion strategy, particularly with the recent business acquisitions operating with more invested capital.

Higher 2017 additions of rolling stock compared to 2016 are partly attributable to the CFI business acquisition and its fleet renewal program.

In the normal course of activities, the Company constantly renews its rolling stock equipment generating regular proceeds and gain or loss on disposition. The following table indicates the proceeds and gains or losses from sale of property and equipment and assets held for sale from continuing operations by category for the three- and nine-month periods ended September 30, 2017 and 2016.

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Third quarters ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Proceeds by category:				
Land and buildings	117,469	5,409	155,839	15,828
Rolling stock	29,394	7,415	67,698	25,794
Equipment	-	78	42	130
	146,863	12,902	223,579	41,752
Gains (losses) by category:				
Land and buildings	70,098	3,167	78,372	6,566
Rolling stock	(71)	2,170	3,415	7,513
Equipment	(36)	(55)	(81)	(91)
	69,991	5,282	81,706	13,988

For the nine-month period ended September 30, 2017, the Company disposed of properties for total consideration of \$174.4 million (\$15.8 million in 2016), which generated a gain of \$78.4 million (\$6.6 million in 2016). Notably, in Q3, TFI International unlocked shareholder value with a sale and leaseback transaction on selected real estate assets. The all cash transaction of \$135.7 million, which included two facilities in each of Montreal and Toronto, resulted in a pre-tax gain of \$69.8 million. Note that \$18.6 million of the \$135.7 million selling price was cashed on October 2, 2017 and, therefore, was included in receivables as at September 30, 2017.

Business acquisitions

For the nine-month period ended September 30, 2017, cash used in business acquisitions totalled \$88.3 million (\$23.0 million in 2016).

In 2017, the Company acquired five businesses. Refer to the section of this report entitled "2017 business acquisitions" and further information can be found in note 5 of the September 30, 2017 unaudited condensed consolidated interim financial statements.

Cash flow from discontinued operations

For the nine-month period ended September 30, 2017, the discontinued operations used cash flow of \$52.4 million mainly attributable to the balance of income tax due on the gain on the sale of the Waste group, realized in February 2016, which was paid in January 2017. In 2016, discontinued operations generated cash flows of \$765.7 million. In the first quarter of 2016, TFI International received \$758.9 million for the sale of its Waste Management segment to GFL.

Free cash flow from continuing operations

<i>(unaudited)</i> <i>(in thousands of dollars, except per share data)</i>	Third quarters ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Net cash from operating activities from continuing operations	128,912	88,302	256,453	228,093
Additions to property and equipment	(77,805)	(19,863)	(205,977)	(79,543)
Proceeds from sale of property and equipment	29,404	12,902	67,940	41,752
Proceeds from sale of assets held for sale	117,459	-	155,639	-
Free cash flow from continuing operations¹	197,970	81,341	274,055	190,302
Free cash flow from continuing operations per share¹	2.20	0.88	3.02	2.01

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.

For the nine-month period ended September 30, 2017, TFI International generated free cash flow from continuing operations of \$274.1 million, compared to \$190.3 million in 2016, which represents a year-over-year increase of \$83.8 million. This increase is mainly due to higher proceeds from sale of property and equipment and assets held for sale, offset by higher additions to property and equipment.

Based on the September 30, 2017 closing share price of \$32.16, the free cash flow from continuing operations generated by the Company in the last twelve months (\$372.1 million) represented a yield of 12.7%.

Financial position

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	As at September 30, 2017	As at December 31, 2016	As at December 31, 2015
Total assets	3,750,904	4,040,835	3,377,870
Long-term debt	1,493,552	1,584,815	1,615,100
Shareholders' equity	1,344,564	1,458,650	1,019,799
Debt-to-equity ratio ²	1.11	1.09	1.58
Debt-to-capitalization ratio ³	0.53	0.52	0.61

Compared to December 31, 2016, the Company's total assets decreased due to the impairment of intangible assets and to the sale of certain real estate assets. The long-term debt decreased due to the sale of property and shareholders' equity decreased mainly as a result of the impairment of intangible assets. The debt-to-equity ratio and the debt-to-capitalization ratio were similar to those of December 31, 2016. The Company's current financial position reflects an appropriate debt level to further pursue its acquisition strategy. Strict cash flow management and cash flow generated from operations have allowed the Company to pursue debt reduction when the situation has dictated.

As at September 30, 2017, the Company's working capital (current assets less current liabilities) was \$143.8 million compared to \$56.9 million as at December 31, 2016. The increase is mainly attributable to the increase of \$21.1 million of assets held for sale, composed of properties, and to the balance of 2016 income tax paid in Q1 2017 for \$57.7 million.

Contractual obligations

The following table indicates the Company's contractual obligations with their respective maturity dates at September 30, 2017, 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 – June 2021	695,446	-	-	695,446	-
Term loan – October 2018 & 2019	500,000	-	500,000	-	-
Unsecured debentures – December 2020	125,000	-	-	125,000	-
Term loan – August 2019	75,000	-	75,000	-	-
Finance lease liabilities	16,356	9,613	6,684	59	-
Conditional sales contracts and other long-term debt	87,817	31,322	47,150	9,345	-
Operating leases and other commitments (see commitments)	569,209	159,736	163,407	92,642	153,424
Total contractual obligations	2,068,828	200,671	792,241	922,492	153,424

As at September 30, 2017, the Company had \$40.8 million of outstanding letters of credit (\$40.1 million on December 31, 2016).

¹ Refer to the section "Non-IFRS financial measures".

² Long-term debt divided by shareholders' equity.

³ Long-term debt divided by the sum of shareholders' equity and long-term debt.

On May 17, 2017, TFI International reached an agreement to amend and extend its existing credit facility to June 2021. The facility is unsecured and can be extended annually. The total available amount remained unchanged at \$1.2 billion and the amendment provides similar terms and covenants.

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 September 30, 2017
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	2.86
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	3.30

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 September 30, 2017.

(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	90,118	42,495	37,060	10,563	-
Operating leases – real estate & others	447,071	85,221	126,347	82,079	153,424
Other commitments	32,020	32,020	-	-	-
Total off-balance sheet obligations	569,209	159,736	163,407	92,642	153,424

Long-term real estate leases, totalling \$447.1 million, include eleven significant real estate commitments for an aggregate value of \$255.8 million, which expire between 2024 and 2035. A total of 287 properties constitute the remaining real estate operating leases.

Dividends and outstanding share data

Dividends

The Company declared \$17.1 million in dividends, or 19 cents per common share, in the third quarter of 2017. For the nine-month period ended September 30, 2017, dividends declared were \$51.6 million, or 57 cents per common share.

NCIB on common shares

Pursuant to the renewal of the normal course issuer bid ("NCIB"), which began on October 2, 2017 and will expire on October 1, 2018, 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 TFI International believes that, at appropriate times, repurchasing its shares through the NCIB represents a good use of TFI International's financial resources, as such action can protect and enhance shareholder value when opportunities or volatility arise.

For the nine-month period ended September 30, 2017, the Company repurchased 1,830,726 common shares (2016 – 6,402,124) at a price ranging from \$26.56 to \$29.32 (2016 - \$22.00 to \$27.30) for a total purchase price of \$51.0 million (2016 – \$150.1 million).

Outstanding shares, stock options and restricted share units

A total of 89,926,927 common shares were outstanding as at September 30, 2017 (December 2016 – 91,575,319). There was no significant change in the Company's outstanding share capital between September 30, 2017 and October 26, 2017.

As at September 30, 2017, the number of outstanding options to acquire common shares issued under the Company's stock option plan was 5,708,666 (December 2016 – 5,495,887) of which 4,345,880 were exercisable (December 2016 – 3,763,656). On February 16, 2017, the Board of Directors approved the grant of 395,113 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 September 30, 2017, the number of restricted share units ("RSUs") granted under the Company's equity incentive plan to the benefit of its senior employees was 348,070 (December 2016 – 281,027). On February 16, 2017, the Board of Directors approved the grant of 60,931 RSUs under the Company's equity incentive plan. 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.

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 event

The Company entered into an agreement for the acquisition of Premier Product Management Inc. ("PPM") with a closing date anticipated in the fourth quarter of 2017. PPM is based in California and provides home delivery services of household appliances. This company is expected to generate about \$27 million in revenue on a yearly basis for the Logistics segment.

OUTLOOK

TFI International is cautiously optimistic in regards to the North American economy. Unemployment is low and consumer spending remains solid. These factors should produce a gradual recovery in freight volume and rates.

Still, current conditions remain relatively challenging, which could limit organic growth over the short-term. Consequently, key drivers for revenue and operating income growth consist of further efficiency improvement, asset rationalization, tight cost controls, and the execution of a disciplined acquisition strategy in the fragmented North American transportation and logistics market.

In the Package and Courier and LTL segments, TFI International's priorities remain the consolidation of its operations, administration and IT platforms for additional savings and efficiency gains. In Package and Courier, TFI International will remain proactive in implementing measures to further optimize asset utilization, which includes completing the optimization of businesses in U.S. same-day operations. The recent rebranding to TForce Final Mile should maximize opportunities in this growing market and is aligned with TFI International's focus on asset-light activities related to e-commerce.

In LTL, the Company must remain disciplined in adapting supply to demand, as overcapacity continues to affect the industry. To this end, the Company will continue to focus on major cities and high-density regions to enhance value. TFI International will also seek to further expand its capabilities in asset-light intermodal activities that generate higher returns.

Although current conditions remain relatively difficult in the U.S. TL market, the gradual implementation of rate increases in contract renewals should lead to improvement in 2018. TFI International's priority is to leverage its enhanced density in the U.S. and in Mexican cross-border activities following the October 2016 acquisition of CFI. The Company will also continue to focus on the quality of its freight revenue and on cost reductions. TFI International will remain disciplined in regards to supply management in the U.S., while sustaining its efforts to optimize the utilization of existing assets. The Company will continue to deploy leading-edge analytical tools across its network in order to allow its people to make appropriate business decisions and maximize returns.

Finally, the Company believes it can further grow its presence in the Logistics sector, as these non-asset-based activities represent a strategic complement to conventional transportation services. Logistics requires less capital, thereby generating solid free cash flow.

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 and solid cash flow. In so doing, TFI International aims to increasingly distinguish itself by providing innovative, value-added solutions to its growing North American customer base. In the short term, TFI International will use its cash flow to prioritize share repurchase and debt reimbursement.

TFI International is well positioned to benefit when freight volume and rates recover 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 TFI International 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>								
	Q3'17	Q2'17	Q1'17	Q4'16	Q3'16	Q2'16	Q1'16	Q4'15
Total revenue	1,154.4	1,232.2	1,171.9	1,036.4	975.5	977.8	934.2	1,026.8
Adjusted EBITDA from continuing operations ¹	128.2	145.7	109.5	127.9	113.8	116.2	84.5	107.9
Operating income	60.5	74.3	42.1	69.7	69.3	71.4	38.9	62.5
Net income (loss)	98.8	(75.0)	14.1	45.3	51.5	39.1	503.6	43.6
EPS – basic	1.10	(0.82)	0.15	0.50	0.56	0.42	5.16	0.45
EPS – diluted	1.07	(0.82)	0.15	0.48	0.55	0.41	5.09	0.44
Net income (loss) from continuing operations	98.8	(75.0)	14.1	46.4	51.1	44.3	15.3	40.6
EPS from continuing operations – basic	1.10	(0.82)	0.15	0.51	0.55	0.47	0.16	0.42
EPS from continuing operations – diluted	1.07	(0.82)	0.15	0.49	0.54	0.47	0.15	0.41
Adjusted net income from continuing operations ¹	48.8	56.2	32.9	50.6	53.5	53.3	30.0	39.3
Adjusted EPS from continuing operations - diluted ¹	0.53	0.60	0.35	0.54	0.57	0.56	0.30	0.40

The differences between the quarters are mainly the result of seasonality (softer in Q1) and business acquisitions. In Q3 2017, higher net income, as well as higher basic and diluted EPS, is mainly due to gain on sale of property for \$70.1 million, \$59.7 million after-tax. In Q2 2017, the Company recorded a net loss and negative basic and diluted EPS principally due to a goodwill impairment in its U.S. TL operating segment of \$129.8 million (no tax impact on this impairment). In Q1 2016, higher net income, as well as higher basic and diluted EPS, is mainly due to the \$490.8 million after-tax gain on the sale of the Waste Management segment.

NON-IFRS FINANCIAL MEASURES

Financial data have been prepared in conformity with IFRS. This MD&A includes references to certain non-IFRS financial measures as described below. These non-IFRS measures do not have any standardized meanings prescribed by International Financial Reporting Standards (IFRS) and are therefore unlikely to be comparable to similar measures presented by other companies. Accordingly, they should not be considered in isolation, in addition to, not as a substitute for or superior to, measures of financial performance prepared in accordance with IFRS. The terms and definitions of IFRS and non-IFRS measures used in this MD&A and a reconciliation of each non-IFRS measure to the most directly comparable IFRS measure are provided below or in the MD&A.

Adjusted net income from continuing operations: Net income or loss excluding amortization of intangible assets related to business acquisitions, net changes in the fair value of derivatives, net foreign exchange gain or loss, gain or loss on sale of land and buildings and assets held for sale, impairment of intangible assets, and income or loss from discontinued operations, net of tax. In presenting an adjusted net income from continuing operations and adjusted EPS 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 and non-compete agreements 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. The Company excludes these items because they affect the comparability of its financial results and could potentially distort the analysis of trends in its business performance. Excluding these items does not imply they are necessarily non-recurring. See reconciliation on page 7.

Adjusted earnings per share (adjusted "EPS") from continuing operations - basic: Adjusted net income from continuing operations divided by the weighted average number of common shares.

Adjusted EPS from continuing operations - diluted: Adjusted net income from continuing operations divided by the weighted average number of diluted common shares.

¹ Refer to the section "Non-IFRS financial measures".

Adjusted EBITDA from continuing operations: Net income or loss from continuing operations before finance income and costs, income tax expense, depreciation, amortization, gain or loss on sale of land and buildings and assets held for sale and impairment of intangible assets. Management believes adjusted EBITDA from continuing operations to be a useful supplemental measure. Adjusted EBITDA from continuing operations is provided to assist in determining the ability of the Company to generate cash from its operations.

Adjusted EBITDA from continuing operations reconciliation:

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Third quarters ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Net income from continuing operations	98,774	51,069	37,796	110,672
Net finance costs	16,626	6,681	47,578	43,616
Income tax expense	15,245	14,674	26,971	31,826
Depreciation of property and equipment	52,079	31,862	161,259	96,446
Amortization of intangible assets	15,567	12,672	45,251	38,414
(Gain) loss on sale of land and buildings	17	(3,167)	162	(6,566)
Gain on sale of assets held for sale	(70,115)	-	(78,534)	-
Impairment of intangible assets	-	-	142,981	-
Adjusted EBITDA from continuing operations	128,193	113,791	383,464	314,408

Adjusted EBITDA margin is calculated as a percentage of revenue before fuel surcharge.

Free cash flow from continuing operations: Net cash from operating activities 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. See reconciliation on page 15.

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

Operating expenses: Operating expenses, as defined in the unaudited condensed consolidated interim financial statements.

Operating income (loss): Net income or loss from continuing operations before finance income and costs, income tax expense, gain or loss on sale of land and buildings and assets held for sale, and impairment of intangible assets, as stated in the unaudited condensed consolidated interim financial statements.

Operating margin is calculated as a percentage of revenue before fuel surcharge.

Operating ratio: 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>	Third quarters ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Operating expenses	1,093,896	906,203	3,381,594	2,707,926
Fuel surcharge revenue	(106,258)	(78,012)	(335,715)	(219,432)
Operating expenses, net of fuel surcharge revenue	987,638	828,191	3,045,879	2,488,494
Revenue before fuel surcharge	1,048,185	897,448	3,222,833	2,668,042
Operating ratio	94.2%	92.3%	94.5%	93.3%

RISKS AND UNCERTAINTIES

The Company's future results may be affected by a number of factors over some of which the Company has little or no control. The following issues, uncertainties and risks, among others, should be considered in evaluating the Company's business and growth outlook, for which more detailed information can be found in the December 31, 2016 MD&A:

- Competition;

- Regulation;
- International Operations;
- Operating Environment;
- General Economic, Credit, Business and Regulatory Conditions;
- Interest Rate Fluctuations;
- Currency Fluctuations;
- Price and Availability of Fuel;

- Insurance;
- Employee and Company's Labour Relations;
- Drivers;
- Acquisitions and Integration Risks;
- Environmental Matters;
- Environmental Contamination;
- Key Personnel;
- Dependence on Third Parties;
- Loan Default;
- Credit Facilities;
- Customer and Credit Risks;
- Availability of Capital;
- Information Systems;
- Litigation.

No changes affected the above-mentioned risk factors.

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, 2017 and have been applied in preparing the unaudited condensed consolidated interim financial statements:

Disclosure Initiative: Amendments to IAS 7

Recognition of Deferred Tax Assets for Unrealized Losses:
Amendments to IAS 12

Annual Improvements to IFRS Standards (2014-2016 cycle)

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

To be adopted in future periods

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

IFRS 15, Revenue from Contracts with Customers

IFRS 16, Leases

Classification and Measurement of Share-based Payment
Transactions: Amendments to IFRS 2

IFRIC 22, Foreign Currency Transactions and Advance
Consideration

IFRIC 23, Uncertainty over Income Tax Treatments

Further information can be found in note 3 of the September 30, 2017 unaudited condensed consolidated interim financial statements.

CONTROLS AND PROCEDURES

Disclosure controls and procedures ("DC&P")

The President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("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 CFO by others, particularly during the period in which the interim and 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.

Internal controls over financial reporting ("ICFR")

The CEO and 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.

The control framework used to design the Company's ICFR is based on 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 quarter ended September 30, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the third quarter ended
September 30, 2017

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

	Note	As at September 30, 2017	As at December 31, 2016*
Assets			
Cash and cash equivalents		-	3,654
Trade and other receivables		602,648	569,181
Inventoried supplies		9,669	8,520
Current taxes recoverable		1,687	11,370
Prepaid expenses		36,511	38,746
Derivative financial instruments	20	3,712	741
Assets held for sale		22,988	1,850
Current assets		677,215	634,062
Property and equipment	8	1,206,872	1,367,161
Intangible assets	9	1,819,827	1,987,106
Other assets	10	35,661	42,809
Deferred tax assets		7,898	8,410
Derivative financial instruments	20	3,431	1,287
Non-current assets		3,073,689	3,406,773
Total assets		3,750,904	4,040,835
Liabilities			
Bank indebtedness		14,393	-
Trade and other payables		456,357	455,175
Current taxes payable		-	57,717
Provisions	12	20,508	21,370
Derivative financial instruments	20	1,218	2,376
Long-term debt	11	40,935	40,498
Current liabilities		533,411	577,136
Long-term debt	11	1,452,617	1,544,317
Employee benefits		14,267	14,282
Provisions	12	41,712	44,406
Other financial liability		5,454	5,447
Derivative financial instruments	20	1,530	3,707
Deferred tax liabilities		357,349	392,890
Non-current liabilities		1,872,929	2,005,049
Total liabilities		2,406,340	2,582,185
Equity			
Share capital	13	712,855	723,390
Contributed surplus		24,788	20,230
Accumulated other comprehensive income		(4,513)	51,977
Retained earnings		611,434	663,053
Equity attributable to owners of the Company		1,344,564	1,458,650
Operating leases, contingencies, letters of credit and other commitments	21		
Subsequent event	22		
Total liabilities and equity		3,750,904	4,040,835

(*) Recasted (see notes 5 and 12)

The notes on pages 6 to 28 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>		Three months ended	Three months ended	Nine months ended	Nine months ended
	Note	Sept. 30, 2017	Sept. 30, 2016	Sept. 30, 2017	Sept. 30, 2016
Revenue		1,048,185	897,448	3,222,833	2,668,042
Fuel surcharge		106,258	78,012	335,715	219,432
Total revenue		1,154,443	975,460	3,558,548	2,887,474
Materials and services expenses	16	665,998	572,200	2,051,607	1,690,729
Personnel expenses	16	297,113	234,206	928,993	709,248
Other operating expenses	16	63,032	57,378	197,818	180,511
Depreciation of property and equipment	16	52,079	31,862	161,259	96,446
Amortization of intangible assets	16	15,567	12,672	45,251	38,414
Loss (gain) on sale of rolling stock and equipment	16	107	(2,115)	(3,334)	(7,422)
Total operating expenses		1,093,896	906,203	3,381,594	2,707,926
Operating income		60,547	69,257	176,954	179,548
(Loss) gain on sale of land and buildings		(17)	3,167	(162)	6,566
Gain on sale of assets held for sale	17	70,115	-	78,534	-
Impairment of intangible assets	9	-	-	(142,981)	-
Finance income (costs)					
Finance income	18	1,317	4,789	3,592	4,051
Finance costs	18	(17,943)	(11,470)	(51,170)	(47,667)
Net finance costs		(16,626)	(6,681)	(47,578)	(43,616)
Income before income tax		114,019	65,743	64,767	142,498
Income tax expense	19	15,245	14,674	26,971	31,826
Net income from continuing operations		98,774	51,069	37,796	110,672
Net income from discontinued operations	6	-	434	-	483,568
Net income for the period attributable to owners of the Company		98,774	51,503	37,796	594,240
Earnings per share					
Basic earnings per share	14	1.10	0.56	0.42	6.29
Diluted earnings per share	14	1.07	0.55	0.41	6.18
Earnings per share from continuing operations					
Basic earnings per share	14	1.10	0.55	0.42	1.17
Diluted earnings per share	14	1.07	0.54	0.41	1.15

The notes on pages 6 to 28 are an integral part of these condensed consolidated interim financial statements.

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

<i>(In thousands of Canadian dollars)</i>	Three months ended Sept. 30, 2017	Three months ended Sept. 30, 2016	Nine months ended Sept. 30, 2017	Nine months ended Sept. 30, 2016
Net income for the period attributable to owners of the Company	98,774	51,503	37,796	594,240
Other comprehensive income (loss)				
Items that may be reclassified to income or loss in future periods:				
Foreign currency translation differences	(42,131)	9,869	(82,294)	(38,580)
Net investment hedge, net of tax	12,177	(5,526)	23,421	30,354
Cash flow hedge, net of tax	1,693	-	2,228	-
Reclassification to income of accumulated unrealized gain on investment in equity securities, net of tax	-	(295)	-	(923)
Unrealized (loss) gain on investment in equity securities, net of tax	-	(455)	-	173
Items directly reclassified to retained earnings:				
Unrealized gain (loss) on investment in equity securities measured at fair value through OCI, net of tax	2,966	-	(1,132)	-
Other comprehensive income (loss) for the period, net of tax	(25,295)	3,593	(57,777)	(8,976)
Total comprehensive income (loss) for the period attributable to owners of the Company	73,479	55,096	(19,981)	585,264

The notes on pages 6 to 28 are an integral part of these condensed consolidated interim financial statements.

TFI International Inc.
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
PERIODS ENDED SEPTEMBER 30, 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		-	-	-	-	-	-	37,796	37,796
Other comprehensive income (loss) for the period, net of tax		-	-	-	2,228	(58,873)	(1,132)	-	(57,777)
Realized loss on equity securities		-	-	-	-	-	1,287	(1,287)	-
Total comprehensive income (loss) for the period		-	-	-	2,228	(58,873)	155	36,509	(19,981)
Share-based payment transactions	15	-	5,318	-	-	-	-	-	5,318
Stock options exercised	13, 15	3,939	(760)	-	-	-	-	-	3,179
Dividends to owners of the Company		-	-	-	-	-	-	(51,617)	(51,617)
Repurchase of own shares	13	(14,474)	-	-	-	-	-	(36,511)	(50,985)
Total transactions with owners, recorded directly in equity		(10,535)	4,558	-	-	-	-	(88,128)	(94,105)
Balance as at September 30, 2017		712,855	24,788	(221)	11,353	(14,746)	(899)	611,434	1,344,564
Balance as at December 31, 2015		764,343	17,819	-	-	46,542	-	191,095	1,019,799
Net income for the period		-	-	-	-	-	-	594,240	594,240
Other comprehensive loss for the period, net of tax		-	-	-	-	(8,226)	(750)	-	(8,976)
Total comprehensive income (loss) for the period		-	-	-	-	(8,226)	(750)	594,240	585,264
Share-based payment transactions	15	-	4,461	-	-	-	-	-	4,461
Stock options exercised	13, 15	1,838	(401)	-	-	-	-	-	1,437
Dividends to owners of the Company		-	-	-	-	-	-	(47,468)	(47,468)
Repurchase of own shares	13	(50,159)	-	-	-	-	-	(99,949)	(150,108)
Restricted share units exercised	15	-	(149)	-	-	-	-	7	(142)
Total transactions with owners, recorded directly in equity		(48,321)	3,911	-	-	-	-	(147,410)	(191,820)
Balance as at September 30, 2016		716,022	21,730	-	-	38,316	(750)	637,925	1,413,243

The notes on pages 6 to 28 are an integral part of these condensed consolidated interim financial statements.

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

<i>(In thousands of Canadian dollars)</i>	Note	Three months ended Sept. 30, 2017	Three months ended Sept. 30, 2016*	Nine months ended Sept. 30, 2017	Nine months ended Sept. 30, 2016*
Cash flows from operating activities					
Net income for the period attributable to owners of the Company		98,774	51,503	37,796	594,240
Net income from discontinued operations		-	434	-	483,568
Net income from continuing operations		98,774	51,069	37,796	110,672
Adjustments for					
Depreciation of property and equipment		52,079	31,862	161,259	96,446
Amortization of intangible assets		15,567	12,672	45,251	38,414
Impairment of intangible assets		-	-	142,981	-
Share-based payment transactions		1,683	1,989	5,318	4,461
Net finance costs		16,626	6,681	47,578	43,616
Income tax expense		15,245	14,674	26,971	31,826
Loss (gain) on sale of property and equipment		124	(5,282)	(3,172)	(13,988)
Gain on sale of assets held for sale		(70,115)	-	(78,534)	-
Employee benefits and provisions		(50)	26	(1,479)	(426)
		129,933	113,691	383,969	311,021
Net change in non-cash operating working capital	7	30,207	(4,215)	(21,032)	4,739
Cash generated from operating activities		160,140	109,476	362,937	315,760
Interest paid		(17,438)	(10,129)	(50,715)	(30,163)
Income tax paid		(13,790)	(11,045)	(55,769)	(57,097)
Net realized loss on derivatives		-	-	-	(407)
Net cash from operating activities from continuing operations		128,912	88,302	256,453	228,093
Net cash used in operating activities from discontinued operations		(11)	(1,055)	(52,424)	(4,487)
		128,901	87,247	204,029	223,606
Cash flows from investing activities					
Purchases of property and equipment		(83,377)	(19,863)	(192,998)	(79,426)
Proceeds from sale of property and equipment		29,404	12,902	67,940	41,752
Proceeds from sale of assets held for sale		117,459	-	155,639	-
Purchases of intangible assets		(1,261)	(895)	(1,861)	(1,605)
Business combinations, net of cash acquired		(2,580)	-	(88,267)	(22,968)
Purchases of investments		-	(11,357)	-	(16,551)
Proceeds from sale of investments		-	5,363	7,914	11,270
Others		107	409	(62)	31
Net cash from (used in) investing activities from continuing operations		59,752	(13,441)	(51,695)	(67,497)
Net cash from investing activities from discontinued operations		-	8,741	-	770,192
		59,752	(4,700)	(51,695)	702,695
Cash flows from financing activities					
(Decrease) increase in bank indebtedness		(2,406)	(17,467)	17,249	(10,857)
Proceeds from long-term debt		12,479	80,120	33,232	105,579
Repayment of long-term debt		(175,436)	(88,105)	(106,733)	(823,667)
Dividends paid		(17,121)	(15,800)	(51,930)	(48,543)
Repurchase of own shares		(8,476)	(41,752)	(50,985)	(150,108)
Proceeds from exercise of stock options		2,307	457	3,179	1,437
Payment of restricted share units		-	-	-	(142)
Net cash used in financing activities from continuing operations		(188,653)	(82,547)	(155,988)	(926,301)
Net cash from financing activities from discontinued operations		-	-	-	-
		(188,653)	(82,547)	(155,988)	(926,301)
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		-	-	-	-

(*) Recasted (see note 12)

The notes on pages 6 to 28 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 and nine months ended September 30, 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 October 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. Following the analysis of the impact of adoption of the standard, the Group has determined that there will be no significant impact on the results. The Group is still in the process of completing the study to conclude on the presentation impact on the revenue and operating expenses for one of its segments.

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 Group 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.

IFRIC 23 Uncertainty over Income Tax Treatments: On June 7, 2017, the IASB issued IFRIC Interpretation 23 *Uncertainty over Income Tax Treatments*. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted.

The Interpretation requires an entity to:

- contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- reflect an uncertainty in the amount of income tax payable (recoverable) if it is probable that it will pay (or recover) an amount for the uncertainty; and
- measure a tax uncertainty based on the most likely amount or expected value depending on whichever method better predicts the amount payable (recoverable).

The Group intends to adopt the Interpretation in its financial statements for the annual period beginning on January 1, 2019. 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. The aggregation of the segment was analyzed using management's judgement in accordance with IFRS 8. The operating segments were determined to be similar with respect to the nature of services offered and the methods used to distribute their services, additionally, they have similar economic characteristics with respect to long term expected gross margin, levels of capital invested and market place trends.

TFI International Inc. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

PERIODS ENDED SEPTEMBER 30, 2017 AND 2016 - (UNAUDITED)

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating income or loss. This measure is included in the internal management reports that are reviewed by the Group's CEO and refers to "Operating income (loss)" 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.

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.

	Package and Courier	Less- Than- Truckload	Truckload	Logistics	Corporate	Eliminations	Total
Three months ended September 30, 2017							
External revenue	325,160	223,840	532,976	72,467	-	-	1,154,443
Inter-segment revenue	1,819	2,394	6,932	2,171	-	(13,316)	-
Total revenue	326,979	226,234	539,908	74,638	-	(13,316)	1,154,443
Operating income (loss)	31,399	13,417	16,572	6,334	(7,175)	-	60,547
Selected items:							
Depreciation and amortization	8,412	7,395	49,829	1,404	606	-	67,646
(Loss) gain on sale of land and buildings	(26)	9	-	-	-	-	(17)
Gain on sale of assets held for sale	9,156	60,959	-	-	-	-	70,115
Intangible assets	425,711	243,734	1,007,104	140,861	2,417	-	1,819,827
Total assets	666,428	577,683	2,265,476	187,105	54,212	-	3,750,904
Total liabilities	141,131	144,771	508,875	35,073	1,574,610	-	2,404,460
Additions to property and equipment	1,150	2,372	73,068	777	438	-	77,805

Three months ended September 30, 2016*

External revenue	338,822	204,766	374,268	57,604	-	-	975,460
Inter-segment revenue	1,636	4,634	5,571	1,652	-	(13,493)	-
Total revenue	340,458	209,400	379,839	59,256	-	(13,493)	975,460
Operating income (loss)	32,804	14,745	24,690	5,049	(8,031)	-	69,257
Depreciation and amortization	8,255	7,328	27,494	917	540	-	44,534
Gain on sale of land and buildings	-	1,528	-	1,639	-	-	3,167
Intangible assets	437,414	221,505	749,845	94,594	1,997	-	1,505,355
Total assets	685,213	632,685	1,518,441	131,320	39,595	-	3,007,254
Total liabilities	147,941	119,340	273,203	19,984	1,034,644	-	1,595,112
Additions to property and equipment	1,352	3,749	14,515	-	247	-	19,863

(*) Recasted for changes in composition of reportable segments and changes in presentation.

TFI International Inc. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**
(Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) **PERIODS ENDED SEPTEMBER 30, 2017 AND 2016 - (UNAUDITED)**

	Package and Courier	Less- Than- Truckload	Truckload	Logistics	Corporate	Eliminations	Total
Nine months ended September 30, 2017							
External revenue	1,010,624	685,084	1,643,396	219,444	-	-	3,558,548
Inter-segment revenue	6,413	6,541	20,718	6,338	-	(40,010)	-
Total revenue	1,017,037	691,625	1,664,114	225,782	-	(40,010)	3,558,548
Operating income (loss)	88,602	38,090	54,657	19,320	(23,715)	-	176,954
Selected items:							
Depreciation and amortization	25,449	23,375	151,655	4,340	1,691	-	206,510
(Loss) gain on sale of land and buildings	(112)	25	(75)	-	-	-	(162)
Gain on sale of assets held for sale	9,156	69,206	172	-	-	-	78,534
Impairment of intangible assets	(13,211)	-	(129,770)	-	-	-	(142,981)
Intangible assets	425,711	243,734	1,007,104	140,861	2,417	-	1,819,827
Total assets	666,428	577,683	2,265,476	187,105	54,212	-	3,750,904
Total liabilities	141,131	144,771	508,875	35,073	1,574,610	-	2,406,340
Additions to property and equipment	8,283	6,638	189,570	813	673	-	205,977

Nine months ended September 30, 2016*

External revenue	995,768	605,670	1,118,290	167,746	-	-	2,887,474
Inter-segment revenue	5,167	14,258	16,968	6,556	-	(42,949)	-
Total revenue	1,000,935	619,928	1,135,258	174,302	-	(42,949)	2,887,474
Operating income (loss)	80,786	34,590	73,479	14,638	(23,945)	-	179,548
Selected items:							
Depreciation and amortization	25,374	22,274	82,868	2,794	1,550	-	134,860
(Loss) gain on sale of land and buildings	(8)	1,778	3,157	1,639	-	-	6,566
Intangible assets	437,414	221,505	749,845	94,594	1,997	-	1,505,355
Total assets	685,213	632,685	1,518,441	131,320	39,595	-	3,007,254
Total liabilities	147,941	119,340	273,203	19,984	1,034,644	-	1,595,112
Additions to property and equipment	8,816	10,117	60,038	131	441	-	79,543

(*) Recasted for changes in composition of reportable segments and changes in presentation.

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
Operating income (loss)	113,040	47,899	102,511	21,750	(35,935)	-	249,265
Selected items:							
Depreciation and amortization	33,758	29,506	123,847	3,877	2,098	-	193,086
(Loss) gain on sale of land and buildings	(8)	4,442	2,875	1,639	-	-	8,948
Intangible assets	450,541	230,194	1,173,578	130,994	1,799	-	1,987,106
Total assets	700,749	635,233	2,454,104	175,190	75,233	-	4,040,509
Total liabilities	157,426	146,008	531,221	19,350	1,725,480	-	2,579,485
Additions to property and equipment	11,152	16,967	80,021	430	1,990	-	110,560

(*) Recasted for changes in composition of reportable segments, changes in presentation and note 5.

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 Sept. 30, 2017	Three months ended Sept. 30, 2016	Nine months ended Sept. 30, 2017	Nine months ended Sept. 30, 2016
Revenue				
Canada	670,158	616,542	1,994,077	1,801,282
United States	479,231	358,918	1,548,432	1,086,192
Mexico	5,054	-	16,039	-
	1,154,443	975,460	3,558,548	2,887,474
			As at September 30, 2017	As at December 31, 2016*
Property and equipment and intangible assets				
Canada			1,745,352	1,771,198
United States			1,257,463	1,557,776
Mexico			23,884	25,293
			3,026,699	3,354,267

(*) Recasted (see note 5)

5. Business combinations

a) Business combinations

In line with the Group's growth strategy, the Group acquired five businesses during 2017, notably World Courier Ground U.S. ("World Courier Ground") and Cavalier Transportation Services Inc. ("Cavalier").

On January 13, 2017, the Group completed the acquisition of World Courier Ground. 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 continues to operate the business under the new name TForce Critical.

On January 28, 2017, the Group completed the acquisition of Cavalier. Established in 1979, Cavalier's operations consist of LTL 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.

These cash-settled transactions were concluded in order to add density in the Group's current network and further expand value-added services. The five acquired businesses contributed revenue and net income of \$93.5 million and \$4.4 million respectively. If these acquisitions had occurred on January 1, 2017, per management's best estimates, the revenue and net income would have been \$115.3 million and \$5.1 million respectively. In determining these estimated amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same had the acquisition occurred on January 1, 2017.

As of the reporting date, the Group had not completed the purchase price allocation over the identifiable net assets and goodwill of the 2017 acquisitions. 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>	2017*
Trade and other receivables	23,303
Inventoried supplies and prepaid expenses	1,393
Property and equipment	8 22,008
Intangible assets	9 30,064
Other assets	701
Bank indebtedness	(1,287)
Trade and other payables	(15,426)
Income tax payable	(1,460)
Long-term debt	(6,324)
Deferred tax liabilities	(9,128)
Total identifiable net assets	43,844
Total consideration transferred	86,980
Goodwill	9 43,136

(*) includes non material adjustments to prior year acquisitions

The trade receivables comprise of gross amounts due of \$21.0 million, of which \$0.5 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	5,260
Less-Than-Truckload	Less-Than-Truckload	12,015
Specialized Truckload	Truckload	15,091
U.S. Truckload	Truckload	2,544
Logistics	Logistics	8,226
		43,136

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. This acquisition was 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 has been adjusted in the second quarter of 2017 and accordingly, the comparative information for prior periods presented in these consolidated financial statements has been revised as follow:

	Provisional fair value	Measurement period adjustment	Reassessed fair value
Cash and cash equivalents	13,949	-	13,949
Trade and other receivables	82,997	-	82,997
Inventoried supplies and prepaid expenses	12,104	-	12,104
Property and equipment	460,779	(27,910)	432,869
Intangible assets	129,860	(50,198)	79,662
Trade and other payables	(57,607)	-	(57,607)
Provisions	(16,251)	-	(16,251)
Deferred tax liabilities	(194,680)	30,452	(164,228)
Total identifiable net assets	431,151	(47,656)	383,495
Total consideration transferred	747,449	-	747,449
Goodwill	316,298	47,656	363,954

6. 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 tables present the net income (loss) from discontinued operations:

	Three months ended September 30, 2017			Three months ended September 30, 2016		
	Rig moving	Waste	Total	Rig moving	Waste	Total
Income before income tax	-	-	-	-	-	-
Income tax recovery	-	-	-	(434)	-	(434)
Net income from discontinued operations ⁽¹⁾	-	-	-	434	-	434
Earnings per share from discontinued operations						
Basic earnings per share	-	-	-	0.01	-	0.01
Diluted earnings per share	-	-	-	0.01	-	0.01

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

TFI International Inc. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**
 (Tabular amounts in thousands of Canadian dollars, unless otherwise noted.) **PERIODS ENDED SEPTEMBER 30, 2017 AND 2016 - (UNAUDITED)**

	Nine months ended September 30, 2017			Nine months ended September 30, 2016		
	Rig moving	Waste	Total	Rig moving	Waste	Total
Revenue	-	-	-	304	14,340	14,644
Expenses	-	-	-	1,854	15,630	17,484
	-	-	-	(1,550)	(1,290)	(2,840)
Loss on assets held for sale	-	-	-	(8,314)	-	(8,314)
Gain on the sale of Waste	-	-	-	-	559,246	559,246
Income (loss) before income tax	-	-	-	(9,864)	557,956	548,092
Income tax expense (recovery)	-	-	-	(4,054)	68,578	64,524
Net income (loss) from discontinued operations ⁽¹⁾	-	-	-	(5,810)	489,378	483,568
Earnings (loss) per share from discontinued operations						
Basic earnings (loss) per share	-	-	-	(0.06)	5.18	5.12
Diluted earnings (loss) per share	-	-	-	(0.06)	5.09	5.03
Additional information:						
Depreciation of property and equipment	-	-	-	-	2,256	2,256

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

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

	As at September 30, 2017	As at December 31, 2016
Current assets	-	326
Current liabilities	(1,880)	(2,700)

7. Additional cash flow information

Net change in non-cash operating working capital

	Three months ended Sept. 30, 2017	Three months ended Sept. 30, 2016	Nine months ended Sept. 30, 2017	Nine months ended Sept. 30, 2016
Trade and other receivables	3,831	(9,924)	(22,673)	17,997
Inventories	1,061	240	(760)	959
Prepaid expenses	7,683	1,616	1,610	73
Trade and other payables	17,632	3,853	791	(14,290)
	30,207	(4,215)	(21,032)	4,739

8. Property and equipment

	Land and buildings	Rolling stock	Equipment	Total
Cost				
Balance at December 31, 2016*	466,076	1,289,973	153,142	1,909,191
Additions through business combinations	3,463	16,955	1,590	22,008
Other additions	5,877	190,096	10,004	205,977
Disposals	4,819	(156,290)	(8,226)	(159,697)
Reclassification to assets held for sale	(130,742)	-	-	(130,742)
Effect of movements in exchange rates	(6,103)	(42,196)	(2,548)	(50,847)
Balance at September 30, 2017	343,390	1,298,538	153,962	1,795,890
Depreciation				
Balance at December 31, 2016	76,957	365,335	99,738	542,030
Depreciation for the period	9,087	140,670	11,502	161,259
Disposals	7,384	(94,391)	(7,922)	(94,929)
Reclassification to assets held for sale	(13,900)	-	-	(13,900)
Effect of movements in exchange rates	(1,385)	(2,221)	(1,836)	(5,442)
Balance at September 30, 2017	78,143	409,393	101,482	589,018
Net carrying amounts				
At December 31, 2016*	389,119	924,638	53,404	1,367,161
At September 30, 2017	265,247	889,145	52,480	1,206,872

(*) Recasted (see note 5)

9. Intangible assets

	Other intangible assets					Total
	Goodwill	Customer relationships	Trademarks	Non-compete agreements	Information technology	
Cost						
Balance at December 31, 2016*	1,590,312	491,914	109,616	2,726	30,059	2,224,627
Additions through business combinations	43,136	25,396	354	4,286	28	73,200
Other additions	-	-	-	-	1,861	1,861
Extinguishments	-	(2,100)	(1,600)	-	(7,404)	(11,104)
Effect of movements in exchange rates	(45,741)	(14,913)	(4,750)	(110)	(1,006)	(66,520)
Balance at September 30, 2017	1,587,707	500,297	103,620	6,902	23,538	2,222,064
Amortization and impairment losses						
Balance at December 31, 2016	60,000	134,038	20,159	674	22,650	237,521
Amortization for the period	-	34,345	6,242	937	3,727	45,251
Impairment loss	129,770	-	13,211	-	-	142,981
Extinguishments	-	(2,100)	(1,600)	-	(7,404)	(11,104)
Effect of movements in exchange rates	(4,970)	(5,211)	(1,287)	(42)	(902)	(12,412)
Balance at September 30, 2017	184,800	161,072	36,725	1,569	18,071	402,237
Net carrying amounts						
At December 31, 2016*	1,530,312	357,876	89,457	2,052	7,409	1,987,106
At September 30, 2017	1,402,907	339,225	66,895	5,333	5,467	1,819,827

(*) Recasted (see note 5)

In Q1 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.

Goodwill impairment test

IFRS requires an entity to assess at the end of each reporting period whether there is any indication that an asset may be impaired. If such indication exists, the entity shall estimate the recoverable amount of the assets. In Q2 2017, management determined that such an indication existed as the results of the U.S. Truckload operating segment were substantially below the expected results. As a result, a goodwill impairment analysis was performed only for the U.S. Truckload operating segment.

For the purpose of impairment testing, goodwill is allocated to the Group's operating segments which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. The aggregate carrying amounts of goodwill allocated to the U.S. Truckload operating segment, prior to any impairment, was \$441.8 million (December 31, 2016 - \$406.7 million).

The Group performed its goodwill impairment test as at June 30, 2017. The results determined that the recoverable amount of the U.S. Truckload operating segment was lower than the carrying amount. The Group recognized a goodwill impairment charge of \$129.8 million.

The recoverable amount of the U.S. Truckload operating segment was determined using the value in use approach. The value in use methodology is based on discounted future cash flows. Management believes that the discounted future cash flows method is valuable as it allows more precise valuation of specific future cash flows.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate of 11.2% (2016 - 11.2%). The discount rates were estimated based on past experience, and industry average weighted average cost of capital, which were based on a possible range of debt leveraging of 40.0% (2016 - 40.0%) at a market interest rate of 6.8% (2016 - 6.7%).

First year cash flows were projected based on previous operating results and reflect current economic conditions. For a further 4-year period, cash flows were extrapolated using an average growth rate of 2.0% (2016 – 2.0%) in revenues and margins were adjusted where deemed appropriate. The terminal value growth rate was 2.0% (2016 – 2.0%). The values assigned to the key assumptions represent management’s assessment of future trends in the transportation industry and were based on both external and internal sources (historical data).

The recoverable amount calculated at June 30, 2017 was \$869.7 million (\$1,257.6 million – December 31, 2016) as compared to a carrying amount of \$999.5 million on June 30, 2017 (\$960.0 million – December 31, 2016).

10. Other assets

	Note	As at September 30, 2017	As at December 31, 2016
Promissory note	6	20,280	18,962
Investments in equity securities		6,622	15,884
Restricted cash		4,294	4,294
Security deposits		3,701	3,645
Other		764	24
		35,661	42,809

11. Long-term debt

	As at September 30, 2017	As at December 31, 2016
Non-current liabilities		
Revolving facility	691,985	767,034
Term loans	572,679	571,663
Unsecured debentures	124,716	124,552
Conditional sales contracts	47,748	42,758
Finance lease liabilities	6,743	12,401
Other long-term debt	8,746	25,909
	1,452,617	1,544,317
Current liabilities		
Current portion of conditional sales contracts	31,030	29,807
Current portion of finance lease liabilities	9,613	9,869
Current portion of other long-term debt	292	822
	40,935	40,498

For the nine months ended September 30, 2017, in addition to the repayments and new borrowings, the debt decreased due to currency fluctuations by \$26.0 million and increased by \$1.9 million due to the amortization of deferred financing fees.

On May 17, 2017, the Group extended its existing revolving credit facility, by one year, to June 2021. Deferred financing fees of \$0.9 million were recognized on the extension.

12. Provisions

	Self insurance	Other	Total
As at September 30, 2017			
Current provisions	20,508	-	20,508
Non-current provisions	30,758	10,954	41,712
	51,266	10,954	62,220
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 September 30, 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	Nine months ended	Nine months ended
		Sept. 30, 2017	Sept. 30, 2016
Balance, beginning of period		91,575,319	97,632,502
Stock options exercised	15	182,334	83,071
Repurchase and cancellation of own shares - Substantial issuer bid		-	(2,699,924)
Repurchase and cancellation of own shares		(1,830,726)	(3,702,200)
Balance, end of period		89,926,927	91,313,449

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

	Nine months ended	Nine months ended
	Sept. 30, 2017	Sept. 30, 2016
Balance, beginning of period	723,390	764,343
Cash consideration of stock options exercised	3,179	1,437
Ascribed value credited to share capital on stock options exercised	760	401
Repurchase and cancellation of own shares	(14,474)	(50,159)
Balance, end of period	712,855	716,022

On September 26, 2017, the Company renewed the normal course issuer bid ("NCIB"), pursuant to which the Company is authorized to repurchase for cancellation up to a maximum of 6,000,000 of its common shares under certain conditions. The renewed NCIB is effective from October 2, 2017 to October 1, 2018.

During the nine months ended September 30, 2017, the Company repurchased 1,830,726 common shares at a price ranging from \$26.56 to \$29.32 per share for a total purchase price of \$51.0 million relating to previous NCIB. During the nine months ended September 30, 2016, the Company repurchased 3,702,200 common shares at a price ranging from \$22.00 to \$27.30 per share for a total purchase price of \$90.7 million. The excess of the purchase price paid over the carrying value of the shares repurchased in the amount of \$36.5 million (2016 – \$61.6 million) was charged to retained earnings as share repurchase premium.

On February 11, 2016, the Company announced a substantial issuer bid ("SIB") to purchase, for cancellation, up to 10 million common shares for an aggregate purchase price not to exceed \$220 million (the 'Offer').

The Offer was made by way of a "modified Dutch Auction" pursuant to which shareholders may tender all or a portion of their shares (i) at a price not less than \$19.00 and not more than \$22.00 per share, in increments of \$0.10 per share, or (ii) without specifying a purchase price, in which case their shares would be purchased at the purchase price determined in accordance with the Offer.

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

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 Sept. 30, 2017	Three months ended Sept. 30, 2016	Nine months ended Sept. 30, 2017	Nine months ended Sept. 30, 2016
Net income attributable to owners of the Company	98,774	51,503	37,796	594,240
Net income from continuing operations	98,774	51,069	37,796	110,672
Issued common shares, beginning of period	90,112,611	92,877,512	91,575,319	97,632,502
Effect of stock options exercised	32,716	12,709	62,275	45,712
Effect of repurchase of own shares	(269,375)	(671,977)	(807,299)	(3,208,131)
Weighted average number of common shares	89,875,952	92,218,244	90,830,295	94,470,083
Earnings per share – basic	1.10	0.56	0.42	6.29
Earnings per share from continuing operations – basic	1.10	0.55	0.42	1.17

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 Sept. 30, 2017	Three months ended Sept. 30, 2016	Nine months ended Sept. 30, 2017	Nine months ended Sept. 30, 2016
Net income attributable to owners of the Company adjusted for dilution effect	98,774	51,503	37,796	594,240
Net income from continuing operations attributable to owners of the Company, adjusted for dilution effect	98,774	51,069	37,796	110,672
Weighted average number of common shares	89,875,952	92,218,244	90,830,295	94,470,083
Dilutive effect:				
Stock options and restricted share units	2,249,730	1,825,308	2,366,184	1,649,238
Weighted average number of diluted common shares	92,125,682	94,043,552	93,196,479	96,119,321
Earnings per share - diluted	1.07	0.55	0.41	6.18
Earnings per share from continuing operations - diluted	1.07	0.54	0.41	1.15

For the three and nine months ended September 30, 2017, 395,113 stock options were excluded from the calculation of diluted earnings per share (2016 – 864,485 and 1,331,671 stock options respectively).

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 Sept. 30, 2017		Three months ended Sept. 30, 2016		Nine months ended Sept. 30, 2017		Nine months ended Sept. 30, 2016	
	Weighted Number of options	average exercise price	Number of options	Weighted average exercise price	Weighted Number of options	average exercise price	Number of options	Weighted average exercise price
Balance, beginning of period	5,830	19.21	4,817	16.55	5,496	18.02	4,934	16.67
Granted	-	-	1,039	24.64	395	35.02	1,039	24.64
Exercised	(121)	18.94	(28)	16.03	(182)	17.43	(83)	17.32
Forfeited	-	-	(7)	24.93	-	-	(69)	24.74
Balance, end of period	5,709	19.22	5,821	17.99	5,709	19.22	5,821	17.99
Options exercisable, end of period					4,346	16.56	4,066	15.06

The following table summarizes information about stock options outstanding and exercisable at September 30, 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	1.8	685
9.46	627	2.8	627
14.28	485	0.8	485
16.46	674	1.8	674
20.18	641	2.8	641
24.64	1,014	5.8	330
24.93	819	4.8	535
25.14	369	3.8	369
35.02	395	6.4	-
	5,709	3.5	4,346

Of the options outstanding at September 30, 2017, a total of 4,544,232 (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 nine months ended September 30, 2017 was \$31.31 (2016 – \$23.93).

For the three and nine months ended September 30, 2017, the Group recognized a compensation expense of \$0.8 million and \$2.8 million, respectively (2016 – \$0.8 million and \$2.3 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 Sept. 30, 2017	Three months ended Sept. 30, 2016	Nine months ended Sept. 30, 2017	Nine months ended Sept. 30, 2016
Balance, beginning of period	263,146	275,380	260,567	255,053
Board members compensation	7,170	8,638	20,040	29,446
Deferred share units redeemed	-	-	(13,428)	(4,402)
Dividends paid in units	1,820	1,909	4,957	5,830
Balance, end of period	272,136	285,927	272,136	285,927

For the three and nine months ended September 30, 2017, the Group recognized, as a result of deferred share units, a compensation expense of \$0.2 million and \$0.6 million, respectively (2016 - \$0.2 million and \$0.8 million) with a corresponding increase to trade and other payables. In addition, in other finance costs, the Group recognized a mark-to-market loss of \$1.2 million and gain of \$0.5 million on deferred share units for the three and nine months ended September 30, 2017 respectively (2016 - loss of \$0.9 million and \$1.1 million).

As at September 30, 2017, the total carrying amount of liabilities for cash-settled arrangements recorded in trade and other payables amounted to \$8.8 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 SEPTEMBER 30, 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 Sept. 30, 2017		Three months ended Sept. 30, 2016		Nine months ended Sept. 30, 2017		Nine months ended Sept. 30, 2016	
	Number of RSUs	Weighted average exercise price	Number of RSUs	Weighted average exercise price	Number of RSUs	Weighted average exercise price	Number of RSUs	Weighted average exercise price
Balance, beginning of period	346	26.60	217	25.01	281	24.78	224	25.01
Granted	-	-	143	24.64	61	35.02	143	24.64
Reinvested	2	26.60	2	25.00	6	25.99	6	25.00
Settled	-	-	-	-	-	-	(7)	24.99
Forfeited	-	-	(1)	24.93	-	-	(5)	25.01
Balance, end of period	348	26.60	361	24.86	348	26.60	361	24.86

The following table summarizes information about RSUs outstanding and exercisable as at September 30, 2017:

<i>(in thousands of RSUs and in dollars)</i>	RSUs outstanding	
Exercise prices	Number of RSUs	Remaining contractual life (in years)
24.64	145	1.2
24.93	142	0.2
35.02	61	2.2
	348	1.0

For the three and nine months ended September 30, 2017, the Group recognized as a result of RSUs a compensation expense of \$0.9 million and \$2.5 million, respectively (2016 - \$1.2 million and \$2.1 million) with a corresponding increase to contributed surplus.

Of the RSUs outstanding at September 30, 2017, a total of 222,887 (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, amortization and gain or loss on disposition of rolling stock and equipment.

	Three months ended Sept. 30, 2017	Three months ended Sept. 30, 2016	Nine months ended Sept. 30, 2017	Nine months ended Sept. 30, 2016
Materials and services expenses				
Independent contractors	472,154	435,201	1,452,231	1,283,253
Vehicle operation expenses	193,844	136,999	599,376	407,476
	665,998	572,200	2,051,607	1,690,729
Personnel expenses	297,113	234,206	928,993	709,248
Other operating expenses	63,032	57,378	197,818	180,511
Depreciation of property and equipment	52,079	31,862	161,259	96,446
Amortization of intangible assets	15,567	12,672	45,251	38,414
Loss (gain) on sale of rolling stock and equipment	107	(2,115)	(3,334)	(7,422)
	1,093,896	906,203	3,381,594	2,707,926

17. Sale of assets held for sale

In the nine-month period ended September 30, 2017, the Group disposed of properties classified as assets held for sale for total consideration of \$174.2 million. Notably, in the three-month period ended September 30, 2017, the Group has concluded a sale and leaseback transaction involving a portfolio of four of its properties. The all-cash transaction of \$135.7 million resulted in a pre-tax gain of \$69.8 million. The escrow amount of \$18.6 million was received on October 2, 2017. This transaction resulted in increase in total commitments at September 30, 2017 by \$98.3 million. Furthermore, in Q2 2017, another sale and leaseback transaction totalling \$30.7 million resulted in a pre-tax gain of \$8.2 million. As a result of that transaction, commitments increased by \$16.0 million at September 30, 2017.

18. Finance income and finance costs

Recognized in income or loss:

<i>(Income) costs</i>	Three months ended Sept. 30, 2017	Three months ended Sept. 30, 2016	Nine months ended Sept. 30, 2017	Nine months ended Sept. 30, 2016
Interest expense on long-term debt	14,453	8,442	43,656	29,270
Interest income and accretion on promissory note	(643)	(639)	(1,913)	(1,722)
Net foreign exchange loss	585	315	2,501	3,317
Net change in fair value of foreign exchange derivatives	(370)	(122)	(1,121)	(1,263)
Net change in fair value of interest rate derivatives	(304)	(3,687)	(558)	8,924
Other financial expenses	2,905	2,713	5,013	6,156
Reclassification to income of gain on investment in equity securities	-	(341)	-	(1,066)
Net finance costs	16,626	6,681	47,578	43,616
Presented as:				
Finance income	(1,317)	(4,789)	(3,592)	(4,051)
Finance costs	17,943	11,470	51,170	47,667

19. Income tax expense

Income tax recognized in income or loss:

	Three months ended Sept. 30, 2017	Three months ended Sept. 30, 2016	Nine months ended Sept. 30, 2017	Nine months ended Sept. 30, 2016
Current tax expense				
Current period	21,113	21,150	56,285	46,577
Adjustment for prior years	(1,250)	(6,030)	(2,329)	(6,030)
	19,863	15,120	53,956	40,547
Deferred tax (recovery) expense				
Origination and reversal of temporary differences	(4,763)	(4,348)	(27,164)	(12,627)
Variation in tax rate	236	(251)	170	20
Adjustment for prior years	(91)	4,153	9	3,886
	(4,618)	(446)	(26,985)	(8,721)
Income tax expense from continuing operations	15,245	14,674	26,971	31,826

Reconciliation of effective tax rate:

	Three months ended Sept. 30, 2017		Three months ended Sept. 30, 2016		Nine months ended Sept. 30, 2017		Nine months ended Sept. 30, 2016	
Income before income tax		114,019		65,743		64,767		142,498
Income tax using the Company's statutory tax rate	26.8%	30,558	26.9%	17,685	26.8%	17,358	26.9%	38,332
Increase (decrease) resulting from:								
Rate differential between jurisdictions	(5.4%)	(6,144)	(3.0%)	(1,970)	(49.6%)	(32,102)	(3.9%)	(5,588)
Variation in tax rate	0.2%	236	(0.4%)	(251)	0.3%	170	0.0%	20
Non deductible expenses	0.6%	710	1.8%	1,207	80.4%	52,085	1.7%	2,420
Tax exempt income	(7.8%)	(8,925)	(0.5%)	(321)	(16.4%)	(10,599)	(1.3%)	(1,798)
Adjustment for prior years	(1.2%)	(1,341)	(2.9%)	(1,877)	(3.6%)	(2,320)	(1.5%)	(2,144)
Tax on multi-jurisdiction distributions	0.1%	151	0.3%	201	3.7%	2,379	0.4%	584
	13.3%	15,245	22.2%	14,674	41.6%	26,971	22.3%	31,826

20. 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 September 30, 2017	As at December 31, 2016	As at September 30, 2017	As at December 31, 2016
Current assets					
Interest rate derivatives	a	-	-	3,712	741
Non-current assets					
Interest rate derivatives	a	-	1,287	3,431	-
Current liabilities					
Embedded foreign exchange derivatives in finance leases		436	1,062	-	-
Interest rate derivatives	a	-	162	782	1,152
		436	1,224	782	1,152
Non-current liabilities					
Embedded foreign exchange derivatives in finance leases		-	496	-	-
Interest rate derivatives	a	-	-	1,530	3,211
		-	496	1,530	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 September 30, 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	2,930	0.98%	500,000	1.85%	350,000	(573)
1 to 2 years	0.99%	350,000	1.92%	325,000	1,974	0.98%	500,000	1.92%	325,000	(411)
2 to 3 years	0.99%	75,000	1.90%	293,750	71	0.99%	300,000	1.92%	325,000	(605)
3 to 4 years	-	-	1.92%	100,000	(72)	-	-	1.89%	237,500	(661)
4 to 5 years	-	-	1.92%	100,000	(72)	-	-	1.92%	100,000	(141)
5 to 6 years	-	-	-	-	-	-	-	1.92%	75,000	(106)
Asset (liability)					4,831					(2,497)
Presented as:										
Current assets					3,712					741
Non-current assets					3,431					1,287
Current liabilities					(782)					(1,314)
Non-current liabilities					(1,530)					(3,211)

21. Operating leases, contingencies, letters of credit and other commitments

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 September 30, 2017	As at December 31, 2016
Less than 1 year	127,716	128,339
Between 1 and 5 years	256,049	246,284
More than 5 years	153,424	100,898
	537,189	475,521

For the three and nine months ended September 30, 2017, expense of \$37.4 million and \$111.3 million, respectively was recognized in income or loss in respect of operating leases (2016 – \$32.7 million and \$99.5 million).

b) Contingencies

There are pending operational and personnel related claims against the Group. The Group has accrued \$5.2 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 September 30, 2017, the Group had \$40.8 million of outstanding letters of credit (December 31, 2016 - \$40.1 million).

d) Other commitments

As at September 30, 2017, the Group had \$32.0 million of purchase commitments materializing within a year (December 31, 2016 – nil).

22. Subsequent event

The Group entered into an agreement for the acquisition of Premier Product Management Inc. ("PPM") with a closing date anticipated in the fourth quarter of 2017. PPM is based in California and provides home delivery services of household appliances. This company is expected to generate about \$27 million in revenue on a yearly basis for the Logistics segment.

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

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

TFI International creates value for shareholders by identifying strategic acquisitions and managing a growing network of wholly-owned operating subsidiaries. Under the TFI International umbrella, companies benefit from financial and operational resources to build their businesses and increase their efficiency.

TFI International companies service the following segments:



PACKAGE AND COURIER



LESS-THAN-TRUCKLOAD



TRUCKLOAD



LOGISTICS



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