Interim Financial Report for the Period Ended March 26, 2016

Q1 2016

Revenue
(in millions of Canadian dollars)

	2013	2014	2015	2016
March	57.4	62.7	60.4	**64.9**
June	72.7	78.7	89.3	
September	88.7	93.9	115.9	
December	79.5	86.9	92.4	
Year	298.3	322.2	358.0	

Profit (loss) attributable to owners of the Company
(in millions of Canadian dollars)

	2013	2014	2015	2016
March	1.9	4.3	2.5	**(0.1)**
June	7.4	7.4	6.7	
September	11.6	12.0	12.1	
December	6.6	7.3	7.9	
Year	27.5	31.0	29.1	

Total earnings (loss) per share *(1)*
(in Canadian dollars)

	2013	2014	2015	2016
March	0.15	0.34	0.20	**(0.01)**
June	0.57	0.59	0.54	
September	0.90	0.95	0.97	
December	0.52	0.58	0.63	
Year	2.13	2.46	2.34	

(1) *For earnings per share per class of share, please refer to the “Selected Quarterly Financial Information” table on page 4*

To Our Shareholders

During the first quarter of 2016, consolidated revenue totalled $64.9 million, an increase of $4.5 million or 7.4% over the equivalent period of the previous year. The marine services segment's revenue was down by $2.7 million or 5.6% to $45.4 million for the first quarter of 2016, whereas the environmental services segment's revenue amounted to $19.4 million, up by $7.2 million or 58.6% over the first quarter of 2015. The revenue decrease in the marine services segment came from reduced bulk cargo volumes, whereas the revenue increase in the environmental services segment is due to greater woven-hose manufacturing volumes. The first quarter of 2016 closed with a consolidated loss attributable to owners of the Company of $0.1 million, compared with a profit of $2.5 million for the first quarter of 2015. This includes a loss on foreign currency exchange of $1.1 million versus a gain of $1.1 million last year. The loss attributable to owners of the Company translated into a total basic and diluted loss per share of $0.01, of which $0.01 was attributable to Class A Common Shares and $0.01 was attributable to Class B Subordinate Voting Shares.

Outlook

The first quarter is not overly indicative of our outlook for the year due to the seasonality of our activities, and it is not unusual for us to incur a first-quarter loss. However, we are impacted by lower volumes in cargo handling as well as the continued impact of last year's fire at our Georgia facility. The outlook for our environmental services remains favourable and we are pleased to report that we acquired the minority interest in Sanexen at the end of the first quarter of 2016.

(signed) David M. Mann
David M. Mann
Chairman of the Board

(signed) Madeleine Paquin
Madeleine Paquin
President and Chief Executive Officer

May 6, 2016

Introduction

This management's discussion and analysis deals with Logistec Corporation's operations, results and financial position for the three-month periods ended March 26, 2016, and March 28, 2015. All financial information contained in this management's discussion and analysis and the attached condensed consolidated interim financial statements has been prepared in accordance with International Financial Reporting Standards ("IFRS") using the same accounting policies as outlined in Note 2 of the notes to 2015 consolidated financial statements, except as described in Note 3 of the notes to Q1 2016 condensed consolidated interim financial statements. In this report, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars.

Our Business

The Company is incorporated in the Province of Québec and its shares are listed on the Toronto Stock Exchange ("TSX") under the ticker symbols LGT.A and LGT.B. The Company's largest shareholder is Sumanic Investments Inc.

The operations of Logistec Corporation, its subsidiaries, and its joint ventures (collectively "Logistec", the "Company", "we", "us", or "our") are divided into two segments: marine services and environmental services.

Marine Services

Logistec Corporation provides specialized cargo handling and other services to a wide variety of marine and industrial customers. The Company has cargo-handling facilities in 28 ports in eastern North America. It is widely diversified on the basis of cargo type and port location with a good balance between import and export activities.

Our other marine services include marine transportation services geared primarily to the Arctic coastal trade; short-line rail transportation services; and agency services to foreign shipowners and operators serving the Canadian market.

Environmental Services

The Company, through its subsidiary Sanexen Environmental Services Inc. ("Sanexen"), operates in the environmental sector, where it provides services to industrial, municipal and other governmental customers for the trenchless structural rehabilitation of underground water mains, regulated materials management, site remediation, risk assessment, and woven-hose manufacturing.

Selected Quarterly Financial Information

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

	Q1	Q2	Q3	Q4	Year
	$	$	$	$	$
2016					
Revenue	**64,859**				
Loss attributable to owners of the Company	**(138)**				
Basic and diluted earnings per Class A Common Share [(1)]	**(0.01)**				
Basic and diluted earnings per Class B Subordinate Voting Share [(2)]	**(0.01)**				
Total basic and diluted earnings per share	**(0.01)**				
2015					
Revenue	60,372	89,262	115,933	92,441	358,008
Profit attributable to owners of the Company	2,518	6,668	12,102	7,854	29,142
Basic and diluted earnings per Class A share	0.19	0.51	0.94	0.61	2.25
Basic and diluted earnings per Class B share	0.21	0.57	1.03	0.67	2.47
Total basic and diluted earnings per share	0.20	0.54	0.97	0.63	2.34

(1) *Class A Common Share ("Class A share")*
(2) *Class B Subordinate Voting Share ("Class B share")*

Seasonal Nature of Operations

Operations are affected by weather conditions and are therefore of a seasonal nature. During the winter months, the St. Lawrence Seaway is closed. There is no activity on the Great Lakes, reduced activity on the St. Lawrence River, and no activity in Arctic transportation due to ice conditions.

Sanexen's activities are also affected by weather conditions as the majority of the specialized services it offers depend upon the excavation of soils, which is more difficult during the winter.

Historically, the first quarter and, to a lesser extent, the second quarter have always presented a lower level of activity and yielded weaker results than the other quarters. The third and fourth quarters are usually the most active.

Repurchase of the Non-Controlling Interest in Sanexen

On March 24, 2016, Logistec entered into an agreement to acquire the remaining 29.8% equity interest it did not own in Sanexen for an agreed value of $43.8 million.

To determine the value, we used the ratio of Logistec's shares on the stock market over Logistec's equity at book value, and applied the same ratio to Sanexen's equity at book value. In order to avoid any anomalies, we used the average of the daily close price of Logistec's LGT.A and LGT.B stocks on the TSX for the thirty calendar days prior to the transaction date.

As part of the transaction, the non-controlling interest shareholders of Sanexen exchanged their common shares in the capital of Sanexen for two classes of newly created non-voting and non-dividend bearing preferred shares of Sanexen, Class G Preferred Shares ("Class G shares") and Class H Preferred Shares ("Class H shares"), for an aggregate value of $43.8 million, resulting in Logistec holding 100% of the common shares of Sanexen.

Immediately following the share exchange, Logistec and the non-controlling interest shareholders entered into a put and call option agreement ("Option Agreement") pursuant to which Logistec was granted call options, exercisable in whole or in part at any time, to acquire from them their Class G shares for a cash consideration of $15.9 million and to acquire their Class H shares in exchange for 754,015 Class B shares of Logistec. The number of Class B shares was determined using the average price for Class B shares over the prior thirty days ($36.92).

Pursuant to the Option Agreement, each non-controlling interest shareholder was granted a put option to sell to Logistec their Class G shares upon certain events, including termination of employment, and a put option to sell to Logistec their Class H shares as to one-fifth (1/5) on each of the first five anniversaries of the signature of the Option Agreement, each at the same price and consideration as the call options granted to Logistec.

A retention restriction was imposed to certain non-controlling interest shareholders who are executives of Sanexen as follows: 40% discount, representing $4.5 million, will be applied to the purchase price of the Class G shares of these shareholders should they leave Sanexen voluntarily before March 24, 2021.

The Board of Directors of Logistec received a fairness opinion from PricewaterhouseCoopers LLP to the effect that the consideration paid for the transaction was fair, from a financial point of view, to Logistec.

The recording of the transaction is summarized as follows:

Pursuant to the Option Agreement, the Class G shares will be repurchased for a fixed cash amount. Accordingly, the options are classified as a long-term liability in the consolidated statements of financial position of the Company.

The options have a nominal value of $15.9 million. The portion related to the retention of certain Sanexen executives of $4.5 million will be recorded as a compensation expense over the retention period using the straight-line method, with a corresponding increase to the long-term liability. The remaining $11.4 million liability was recorded at the date of the transaction.

Since the options related to the Class G shares are not expected to be immediately exercisable, we recorded this long-term liability of $11.4 million at its fair value of $8.9 million, which represents the present value of our best estimate of when Logistec will exercise its call option, or when the non-controlling interest shareholders will exercise their put option, and a corresponding decrease to non-controlling interest. The long-term liability will accrete to $11.4 million over the expected life of the option through an interest charge.

The Class H shares are redeemable for 754,015 Class B shares of Logistec, as described above. As opposed to the $36.92 per share price that was used to determine the number of Class B shares of Logistec to be issued, the value used for accounting purposes was the current market price of Class B shares. On March 24, 2016, the closing trading price of the Class B shares on the TSX was $39.75 per share. In addition, because the Class H shares are redeemable in Class B shares over a period of five years, we have determined the fair value of the Class B shares to be issued using a Black-Scholes model based on assumptions regarding the volatility of Logistec Class B shares, dividend yield and interest rates, resulting in a value of $33.02 per share.

As a result, as at March 24, 2016, Logistec recorded share capital to be issued amounting to $24.9 million with a corresponding decrease in retained earnings.

Furthermore the 754,015 Class B Shares to be issued will be included in our calculation of earnings per share presented on a fully diluted basis.

Business Acquisition

On March 8, 2016, the Company acquired a business for $5.6 million. This acquisition represents a vertical integration for its environmental services segment.

At the acquisition date, the preliminary fair value of the underlying identifiable assets acquired and liabilities assumed was as follows:

(in thousands of dollars)

	$
Current assets	1,704
Property, plant and equipment	5,262
Goodwill	2,266
Other non-current financial assets	44
Current liabilities	(1,999)
Deferred income tax liabilities	(374)
Long-term debt	(1,341)
	5,562
Settlement	
Cash	4,562
Balance of sale, payable in two annual instalments of $500	1,000
	5,562

The purchase price allocation is preliminary and is subject to change once final valuations of the assets acquired and liabilities assumed is completed.

Receivables acquired (consisting primarily of trade receivables) as part of the acquisition had a fair value and gross contractual amounts of $0.9 million and are expected to be fully recovered.

Goodwill

(in thousands of dollars)

Cost	$
Balance as at December 31, 2015	**23,915**
Business acquisition	2,266
Effect of foreign currency exchange differences	(311)
Balance as at March 26, 2016	**25,870**

Carrying Amount	**As at March 26, 2016 $**	As at December 31, 2015 $
Cost	**25,870**	23,915
Accumulated impairment losses	**(1,300)**	(1,300)
	24,570	22,615

Goodwill mainly arose in the acquisition as a result of expected synergies and intangible assets not qualifying for separate recognition. Goodwill is not deductible for tax purposes.

Impact of the Acquisition on the Results of the Company

Revenue and loss for the three-month period ended March 26, 2016 were not significant.

Results

Revenue

Consolidated revenue totalled $64.9 million in the first quarter of 2016, an increase of $4.5 million or 7.4% over $60.4 million for the same period in 2015. Consolidated revenue was positively affected by $2.5 million due to a weaker Canadian dollar against the U.S. dollar in this quarter of 2016, as opposed to the Canadian/U.S. dollar translation rate in the first quarter of 2015.

The marine services segment's revenue was down by $2.7 million or 5.6% to $45.4 million for the first quarter of 2016, the decrease being mostly attributable to reduced volumes of bulk cargo handled, since break-bulk volumes stood at the same levels as in the first quarter of last year, while containerized cargo volumes were up slightly.

In the first quarter of 2016, the environmental services segment's revenue amounted to $19.4 million, up by $7.2 million or 58.6% over the first quarter of 2015. This increase is due to higher woven-hose manufacturing activity.

Employee Benefits Expense

In the first quarter of 2016, employee benefits expense was up by $0.3 million to $32.0 million, a slight increase compared with $31.7 million for the same quarter of 2015. This brought the ratio of employee benefits expense to revenue to 49.3%, compared with 52.6% for the same period last year. This better expense ratio is due to higher revenue in the environmental services segment, which increased the recovery of the fixed portion of employee benefits expense from the woven-hose manufacturing activity.

Equipment and Supplies Expense

Equipment and supplies expense amounted to $18.4 million in the first quarter of 2016, up by $4.3 million or 31.0% from $14.0 million for the first quarter of 2015. This increase is in line with the increase in revenue at Sanexen, which also had higher equipment and supplies cost component mix. The proportion of equipment and supplies expense to consolidated revenue was therefore higher at 28.3% for the first quarter of 2016, compared with 23.2% for the first quarter of 2015.

Rental Expense

Rental expense stood at $6.8 million in 2016, compared with $7.0 million in the first quarter of 2015. The fixed portion of this expense does not fluctuate substantially from quarter to quarter, unless changes occur within our network of facilities. The variable portion of this expense accounted for the variation in first-quarter results, reflecting reduced throughput due to a decrease in cargo volumes in the marine services segment.

Other Expenses

Other expenses amounted to $4.2 million, representing a variation of $0.9 million or 26.5% compared with the first quarter of 2015, due mainly to an increase in the bad debt expense during the period.

Other Gains and Losses

Other gains and losses showed a loss of $1.1 million for the first quarter of 2016, compared with a gain of $1.1 million for the same quarter of 2015. This variation is due to the strengthening of the Canadian dollar against the U.S. dollar, which translated into a foreign exchange loss.

Profit for the Period and Earnings per Share

Overall, the Company recorded a loss for the period of $0.5 million in the first quarter of 2016, of which a loss of $0.4 million was attributable to non-controlling interests, generating a loss attributable to owners of the Company of $0.1 million. That translated into a total basic and diluted loss per share of $0.01, of which $0.01 per share was attributable to Class A shares and $0.01 per share was attributable to Class B shares.

All other items of the condensed consolidated interim statements of earnings varied according to normal business parameters.

Dividends

On March 22, 2016, the Board of Directors declared dividends of $0.075 per Class A share and $0.0825 per Class B share, for a total consideration of $1.0 million. These dividends were paid on April 15, 2016, to shareholders of record as at April 5, 2016.

On May 6, 2016, the Board of Directors declared dividends of $0.075 per Class A share and $0.0825 per Class B share, for a total consideration of $1.0 million. These dividends will be paid on July 4, 2016, to shareholders of record as at June 17, 2016.

All dividends mentioned above are eligible dividends for Canada Revenue Agency purposes.

The Company's Board of Directors determines the level of dividend payments. Although Logistec does not have a formal dividend policy, to date, the practice has been to maintain regular quarterly dividends with modest increases over the years.

Liquidity and Capital Resources

Capital Management

The Company's financial strategy and primary objectives when managing capital are described in Note 5 of the notes to consolidated financial statements of the 2015 annual report and were applied consistently in the first quarter of 2016. Please also refer to Note 4 of the notes to Q1 2016 condensed consolidated interim financial statements for an update on financial risk management information.

Capital Resources

Total assets amounted to $319.5 million as at March 26, 2016, down by $9.0 million from the December 31, 2015 closing balance of $328.4 million. The main reasons behind this decrease are the cash reductions explained below, partially offset by an increase of $5.6 million in property, plant and equipment.

Cash and cash equivalents totalled $11.1 million at the end of the first quarter of 2016, down by $12.7 million from $23.8 million as at December 31, 2015. The main items behind this decrease were as follows:

(in thousands of dollars)	
Positive:	
Issuance of long-term debt, net of repayment	9,961
Depreciation and amortization expense	3,036
	12,997
Negative:	
Acquisition of property, plant and equipment	(4,688)
Repurchase of share capital	(7,850)
Changes in non-cash working capital items	(3,201)
Income taxes paid	(3,266)
Business acquisition	(4,363)
	(23,368)

Working Capital

Working capital totalled $66.2 million at the end of the first quarter of 2016, for a current ratio of 2.43:1. This is lower than the working capital of $71.7 million as at December 31, 2015, but the current ratio is very similar to the 2.33:1 figure posted at the end of 2015.

Equity Attributable to Owners of the Company

Equity attributable to owners of the Company amounted to $185.4 million as at March 26, 2016. Adding long-term debt yields a capitalization of $230.4 million, which computes to a debt/capitalization ratio of 19.6%, significantly below the 40% threshold mentioned in the Company's capital management objectives. This also means that the Company has substantial financial leverage available should the need arise.

As at May 6, 2016, 7,424,822 Class A shares and 4,759,000 Class B shares were issued and outstanding. Each Class A share is convertible at any time by its holder into one Class B share. Please refer to Note 5 of the notes to Q1 2016 condensed consolidated interim financial statements for further details regarding the Company's share capital.

Significant Joint Venture

As disclosed in Note 20 of the Notes to 2015 consolidated financial statements, the Company holds many investments in joint ventures. The Company has only one significant joint venture, Termont Terminal Inc., whose activities are aligned with its core business.

The following table summarizes the financial information of Termont Terminal Inc. at 100%. The Company holds a 50%-equity interest in this joint venture.

(in thousands of dollars)

	As at March 26, 2016 $	As at December 31, 2015 $
Statement of financial position		
Total assets	**34,589**	33,441
Total liabilities	**198**	57

	For the three months ended	
	March 26, 2016 $	March 28, 2015 $
Statement of earnings		
Revenue	**725**	674
Share of profit of an equity accounted investment	**767**	362
Profit for the period	**1,193**	756

Other Items in the Consolidated Statements of Financial Position

Financial position as at *(in millions of dollars)*	**March 26, 2016 $**	December 31, 2015 $	**Var. $**	**Var. %**	Explanation of variation
Trade and other receivables	**72.8**	77.3	**(4.5)**	**(5.9)**	The variation is explained by a sustained collection effort in the environmental services segment in the first quarter of 2016, partially offset by a $2.0 million increase in the claim receivable from the insurance company related to the fire in Brunswick (GA).
Current income tax assets	**5.6**	2.6	**3.0**	**118.0**	Current income tax assets and current income tax liabilities vary depending on the profit versus the instalments made by tax jurisdiction. There is nothing unusual to report for these two items, which varied within normal business parameters.
Current income tax liabilities	**0.2**	0.7	**(0.4)**	**(66.0)**	
Property, plant and equipment	**116.6**	111.0	**5.6**	**5.0**	The increase mainly stems from acquisitions including the business acquisition totalling $9.4 million, which exceeded the depreciation expense of $2.7 million.
Non-current financial assets	**3.5**	5.0	**(1.5)**	**(30.4)**	The decrease reflects the lower level of contract holdbacks in Sanexen at the end of the first quarter of 2016.
Trade and other payables	**37.6**	46.4	**(8.7)**	**(18.9)**	The decrease mainly reflects the lower level of activity in the first quarter of 2016 compared with the fourth quarter of 2015 in the environmental services segment.
Non-current financial liabilities	**13.4**	4.1	**9.3**	**228.9**	The increase as at March 26, 2016 is mainly due to the acquisition of the non-controlling interest in Sanexen. As a result of the transaction, Logistec recorded a long-term liability amounting to $8,9 million, as discussed previously.
Current portion of long-term debt	**3.4**	2.2	**1.2**	**56.0**	The variation stems from the $13.0 million increase in long-term debt. Of this amount, $3.0 million was related to the business acquisition in the environmental services segment, and $10.0 million was used for the marine services segment's cash flow needs, as previously discussed in the "Liquidity and Capital Resources" section.
Long-term debt	**41.7**	29.9	**11.8**	**39.3**	
Share capital to be issued	**24.9**	–	**24.9**	–	The variation as at March 26, 2016 is mainly due to the acquisition of the non-controlling interest in Sanexen as discussed previously.
Non-controlling interests	**1.8**	20.2	**(18.4)**	**(91.1)**	

All other items included in the condensed consolidated interim statements of financial position varied according to normal business parameters in the first quarter of 2016.

Application of New and Revised IFRS

On January 1, 2016, the Company adopted IAS 1, "Presentation of Financial Statements", which did not significantly affect the presentation of the financial statements. Please refer to Note 3 of the 2015 notes to financial statements for a full description of this standard.

Additionally, the following accounting standards have been published or modified: IFRS 9, "Financial Instruments"; IFRS 15, "Revenue from Contracts with Customers"; IFRS 16, "Leases"; and IAS 1, "Presentation of Financial Statements". Again, please refer to Note 3 for further details on these standards.

Report on Disclosure Controls

Pursuant to the requirements of National Instrument 52-109 "Certification of Disclosure in Issuers' Annual and Interim Filings", the President and Chief Executive Officer and the Vice-President, Finance are responsible for the establishment and maintenance of disclosure controls and procedures ("DC&P"), and internal control over financial reporting ("ICFR"). They are assisted in these tasks by a Certification Steering Committee, which is comprised of members of the Company's senior management including the two previously mentioned executives.

They have reviewed this management's discussion and analysis and the Q1 2016 condensed consolidated interim financial statements and related notes (the "Interim Filings"). Based on their knowledge, the Interim Filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the Interim Filings. Based on their knowledge, the Q1 2016 condensed consolidated interim financial statements, together with the other financial information included in the Interim Filings, fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date and for the periods presented in the Interim Filings.

The President and Chief Executive Officer and the Vice-President, Finance have concluded that the design of DC&P provided reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, was communicated to them in a timely manner for the preparation of the Interim Filings and that information required to be disclosed in its Interim Filings was recorded, processed, summarized and reported within the required time periods.

The President and Chief Executive Officer and the Vice-President, Finance have also designed such ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS, the Company's generally accepted accounting principles.

There has been no change in the Company's ICFR that occurred during the first quarter of 2016 that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

Outlook

As stated in the "Management's Discussion and Analysis" section of our 2015 annual report, we expected to face some challenges in the first quarter of 2016. Additionally, we recorded more than $1 million in losses on foreign exchange due to the strengthening of the Canadian dollar.

Our marine services segment is affected by the Canadian and U.S. economies which are not yet operating at full steam and this has an effect on cargo volumes going through our facilities. Furthermore, in this difficult environment for industrial companies and carriers, our customers and competitors are putting increased pressure on us to lower prices. Finally, the mild winter reduced the demand for road salt and coal for heating, and our terminal in Georgia has not yet fully recovered from the fire incident in 2015. On a positive note, container volumes grew during the period compared with last year's first-quarter results, and productivity is steadily improving at our Viau container terminal.

Our environmental services segment is also very affected by seasonality as its main activities cannot be performed in winter months in Canada. Rather, the time is taken to replenish our order book, which stands today at over $140 million, thus assuring us of a strong remainder of 2016 for Aqua-Pipe as well as for our more traditional environmental services such as site remediation, biotreatment and regulated materials management.

Finally, the highlight of Q1 2016 is the acquisition of the non-controlling interest in Sanexen. This confirms our commitment to the environmental sector and our desire to build on this very successful platform. The needs in this sector continue to grow and our team of very dynamic leaders and scientists have developed innovative solutions for growing markets.

Steadily improving our revenue and profit remains one of our key objectives. We continue to seek and study development and acquisition projects with a view to growing our business and enhancing shareholder value.

For the purpose of informing shareholders and potential investors about the Company's prospects, sections of this document may contain forward-looking statements, within the meaning of securities legislation, about the Company's activities, performance and financial situation and, in particular, hopes for the success of the Company's efforts in the development and growth of its business. These forward-looking statements express, as of the date of this document, the estimates, predictions, projections, expectations or opinions of the Company about future events or results. Although the Company believes that the expectations produced by these forward-looking statements are founded on valid and reasonable bases and assumptions, these forward-looking statements are inherently subject to important uncertainties and contingencies, many of which are beyond the Company's control, such that the Company's performance may differ significantly from the predicted performance expressed or presented in such forward-looking statements. The important risks and uncertainties that may cause the actual results and future events to differ significantly from the expectations currently expressed are examined under "Business Risks" in the Company's annual report and include (but are not limited to) the performances of domestic and international economies and their effect on shipping volumes, weather conditions, labour relations, pricing and competitors' marketing activities. The reader of this document is thus cautioned not to place undue reliance on these forward-looking statements. The Company undertakes no obligation to update or revise these forward-looking statements, except as required by law.

Additional information relating to our Company can be found on SEDAR at www.sedar.com and on Logistec's website at www.logistec.com.

(signed) Jean-Claude Dugas
Jean-Claude Dugas, CPA, CA
Vice-President, Finance

May 6, 2016

(in thousands of Canadian dollars, except for per share amounts and number of shares)

Condensed Consolidated Interim Statements of Earnings

	For the three months ended March 26, 2016 $	March 28, 2015 $
Revenue	**64,859**	60,372
Employee benefits expense	**(32,001)**	(31,747)
Equipment and supplies expense	**(18,377)**	(14,028)
Rental expense	**(6,819)**	(6,965)
Other expenses	**(4,185)**	(3,307)
Depreciation and amortization expense	**(3,036)**	(2,699)
Share of profit of equity accounted investments	**190**	107
Other gains and losses	**(1,058)**	1,147
Operating profit	**(427)**	2,880
Finance expense	**(305)**	(255)
Finance income	**62**	89
Profit before income taxes	**(670)**	2,714
Income taxes	**169**	(565)
Profit (loss) for the period	**(501)**	2,149
Profit attributable to:		
Owners of the Company	**(138)**	2,518
Non-controlling interests	**(363)**	(369)
Profit (loss) for the period	**(501)**	2,149
Basic and diluted earnings per Class A Common Share [(1)]	**(0.01)**	0.19
Basic earnings per Class B Subordinate Voting Share [(2)]	**(0.01)**	0.21
Diluted earnings per Class B share	**(0.01)**	0.21
Weighted average number of Class A shares outstanding, basic and diluted	**7,430,322**	7,457,322
Weighted average number of Class B shares outstanding, basic	**4,834,200**	5,049,633
Weighted average number of Class B shares outstanding, diluted	**4,859,334**	5,049,633

(1) *Class A Common Share ("Class A share")*
(2) *Class B Subordinate Voting Share ("Class B share")*

(in thousands of Canadian dollars)

Condensed Consolidated Interim Statements of Comprehensive Income

	For the three months ended **March 26, 2016** **$**	March 28, 2015 $
Profit for the period	**(501)**	2,149
Other comprehensive income		
Items that are or may be reclassified to the consolidated statements of earnings		
Currency translation differences arising on translation of foreign operations	**(1,635)**	2,825
Losses on derivatives designated as cash flow hedges	**–**	(163)
Transfer of losses on derivatives designated as cash flow hedges to the consolidated statements of earnings	**14**	9
Income taxes relating to derivatives designated as cash flow hedges	**(4)**	42
Total items that are or may be reclassified to the consolidated statements of earnings	**(1,625)**	2,713
Items that will not be reclassified to the consolidated statements of earnings		
Remeasurement losses on benefit obligation	**–**	(951)
Return on retirement plan assets excluding amounts included in profit for the period	**(215)**	543
Income taxes on remeasurement losses on benefit obligation and return on retirement plan assets excluding amounts included in profit for the period	**58**	110
Total items that will not be reclassified to the consolidated statements of earnings	**(157)**	(298)
Share of other comprehensive income of equity accounted investments, net of income taxes		
Items that are or may be reclassified to the consolidated statements of earnings	**(92)**	(6)
Items that will not be reclassified to the consolidated statements of earnings	**–**	8
Total share of other comprehensive income of equity accounted investments, net of income taxes	**(92)**	2
Other comprehensive income (loss) for the period, net of income taxes	**(1,874)**	2,417
Total comprehensive income (loss)for the period	**(2,375)**	4,566
Total comprehensive income (loss) attributable to:		
Owners of the Company	**(2,012)**	4,935
Non-controlling interests	**(363)**	(369)
Total comprehensive (loss) income for the period	**(2,375)**	4,566

(in thousands of Canadian dollars)

Condensed Consolidated Interim Statements of Financial Position

	Notes	**As at March 26, 2016 $**	As at December 31, 2015 $
Assets			
Current assets			
Cash and cash equivalents		**11,064**	23,811
Investment in a service contract		**1,087**	1,157
Trade and other receivables		**72,785**	77,333
Work in progress		**6,535**	6,438
Current income tax assets		**5,599**	2,569
Prepaid expenses		**8,828**	7,952
Inventories		**6,707**	6,553
		112,605	125,813
Equity accounted investments		**29,039**	28,951
Property, plant and equipment		**116,588**	111,022
Goodwill	10	**24,570**	22,615
Other intangible assets		**19,049**	20,247
Other non-current assets		**4,462**	5,194
Post-employment benefit assets		**429**	522
Non-current financial assets		**3,491**	5,019
Deferred income tax assets		**9,223**	9,032
Total assets		**319,456**	328,415
Liabilities			
Current liabilities			
Short-term bank loans		**18**	–
Trade and other payables		**37,629**	46,352
Deferred revenue		**2,730**	2,700
Current income tax liabilities		**221**	650
Dividends payable		**950**	967
Current portion of long-term debt		**3,368**	2,159
Provisions		**1,497**	1,268
		46,413	54,096
Long-term debt		**41,676**	29,920
Provisions		**760**	766
Deferred income tax liabilities		**12,452**	12,433
Post-employment benefit obligations		**13,185**	12,955
Deferred revenue		**4,433**	4,533
Non-current financial liabilities	9	**13,378**	4,067
Total liabilities		**132,297**	118,770
Equity			
Share capital	5	**14,572**	14,985
Share capital to be issued	9	**24,898**	–
Retained earnings		**137,324**	164,154
Accumulated other comprehensive income		**8,557**	10,274
Equity attributable to owners of the Company		**185,351**	189,413
Non-controlling interests		**1,808**	20,232
Total equity		**187,159**	209,645
Total liabilities and equity		**319,456**	328,415

(in thousands of Canadian dollars)

Condensed Consolidated Interim Statements of Changes in Equity

	Notes	Share capital $	Share capital to be issued $	Accumulated other comprehensive income: Cash flow hedges $	Accumulated other comprehensive income: Foreign currency translation $	Retained earnings $	Total $	Non-controlling interests $	Total equity $
		Attributable to owners of the Company							
Balance as at January 1, 2016		**14,985**	**–**	**(139)**	**10,413**	**164,154**	**189,413**	**20,232**	**209,645**
Profit for the period		–	–	–	–	(138)	(138)	(363)	(501)
Other comprehensive income (loss)									
Currency translation differences arising on translation of foreign operations		–	–	–	(1,635)	–	(1,635)	–	(1,635)
Remeasurement losses on benefit obligation and return on retirement plan assets excluding amounts included in profit for the period, net of income taxes		–	–	–	–	(157)	(157)	–	(157)
Cash flow hedges, net of income taxes		–	–	10	–	–	10	–	10
Share of other comprehensive income of equity accounted investments, net of income taxes		–	–	(92)	–	–	(92)	–	(92)
Total comprehensive income (loss) for the period		–	–	(82)	(1,635)	(295)	(2,012)	(363)	(2,375)
Repurchase of Class A shares	5	(7)	–	–	–	(420)	(427)	–	(427)
Repurchase of Class B shares	5	(406)	–	–	–	(7,017)	(7,423)	–	(7,423)
Repurchase of non-controlling interests	9	–	24,898	–	–	(18,148)	6,750	(18,061)	(11,311)
Dividends on Class A shares	5	–	–	–	–	(557)	(557)	–	(557)
Dividends on Class B shares	5	–	–	–	–	(393)	(393)	–	(393)
Balance as at March 26, 2016		**14,572**	**24,898**	**(221)**	**8,778**	**137,324**	**185,351**	**1,808**	**187,159**

(in thousands of Canadian dollars)

Condensed Consolidated Interim Statements of Changes in Equity (Continued)

		Attributable to owners of the Company							
				Accumulated other comprehensive income					
	Notes	Share capital $	Share capital to be issued $	Cash flow hedges $	Foreign currency translation $	Retained earnings $	Total $	Non-controlling interests $	Total equity $
Balance as at January 1, 2015		**14,906**	**–**	**(56)**	**4,138**	**144,513**	**163,501**	**15,923**	**179,424**
Profit for the period		–	–	–	–	2,518	2,518	(369)	2,149
Other comprehensive income (loss)									
Currency translation differences arising on translation of foreign operations		–	–	–	2,825	–	2,825	–	2,825
Remeasurement losses on benefit obligation and return on retirement plan assets excluding amounts included in profit for the period, net of income taxes		–	–	–	–	(298)	(298)	–	(298)
Cash flow hedges, net of income taxes		–	–	(112)	–	–	(112)	–	(112)
Share of other comprehensive income of equity accounted investments, net of income taxes		–	–	(6)	–	8	2	–	2
Total comprehensive income (loss) for the period		–	–	(118)	2,825	2,228	4,935	(369)	4,566
Repurchase of Class A shares	5	(3)	–	–	–	(222)	(225)	–	(225)
Repurchase of Class B shares	5	(66)	–	–	–	(1,197)	(1,263)	–	(1,263)
Dividends on Class A shares	5	–	–	–	–	(466)	(466)	–	(466)
Dividends on Class B shares	5	–	–	–	–	(346)	(346)	–	(346)
Balance as at March 28, 2015		**14,837**	**–**	**(174)**	**6,963**	**144,510**	**166,136**	**15,554**	**181,690**

(in thousands of Canadian dollars)

Condensed Consolidated Interim Statements of Cash Flows

	Notes	For the three months ended March 26, 2016 $	March 28, 2015 $
Operating activities			
Profit for the period		**(501)**	2,149
Items not affecting cash and cash equivalents		**4,575**	4,696
Cash generated from operations		**4,074**	6,845
Contributions to defined benefit retirement plans		**(306)**	(306)
Settlement of provisions		**(5)**	(9)
Changes in non-cash working capital items		**(3,201)**	9,781
Income taxes paid		**(3,266)**	(3,527)
		(2,704)	12,784
Financing activities			
Net change in short-term bank loans		**18**	–
Issuance of long-term debt		**12,358**	1,366
Repayment of long-term debt		**(2,397)**	(4,035)
Interest paid		**(313)**	(359)
Repurchase of Class A shares	5	**(427)**	(225)
Repurchase of Class B shares	5	**(7,423)**	(1,263)
Dividends paid on Class A shares		**(557)**	(466)
Dividends paid on Class B shares		**(410)**	(349)
		849	(5,331)
Investing activities			
Customer repayment of an investment in a service contract		**70**	61
Interest received		**59**	130
Repurchase of non-controlling interests	9	**(2,392)**	–
Business acquisition	10	**(4,560)**	–
Cash acquired in a business acquisition	10	**197**	–
Acquisition of property, plant and equipment		**(4,688)**	(5,192)
Proceeds from disposal of property, plant and equipment		**80**	4
Acquisition of intangible assets		**(25)**	(42)
Acquisition of other non-current assets		**(29)**	(10,268)
		(11,288)	(15,307)
Net change in cash and cash equivalents		**(13,143)**	(7,854)
Cash and cash equivalents, beginning of period		**23,811**	26,381
Effect of exchange rate on balances held in foreign currencies of foreign operations		**396**	(271)
Cash and cash equivalents, end of period		**11,064**	18,256
Additional information			
Acquisition of property, plant and equipment included in trade and other payables		**1,406**	1,123

1. General Information

Logistec Corporation provides specialized cargo handling and other services to a wide variety of marine, industrial and municipal customers. The Company has cargo-handling facilities in 28 ports in eastern North America; short-line rail transportation services; and marine agency services to foreign shipowners and operators serving the Canadian market. The Company is widely diversified on the basis of cargo type and port location with a balance between import and export activities. Furthermore, the Company, through its subsidiary Sanexen Environmental Services Inc. ("Sanexen"), operates in the environmental sector where it provides services for the trenchless structural rehabilitation of underground water mains, regulated materials management, site remediation, risk assessment and woven-hose manufacturing.

The Company is incorporated in the Province of Québec and is governed by the Québec Business Corporations Act. Its shares are listed on the Toronto Stock Exchange ("TSX") under the ticker symbols LGT.A and LGT.B. The address of its registered office is 360 St. Jacques Street, Suite 1500, Montréal (QC) H2Y 1P5, Canada.

The Company's largest shareholder is Sumanic Investments Inc.

The accompanying unaudited condensed interim consolidated financial statements of Logistec Corporation have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's independent auditor.

These unaudited condensed consolidated interim financial statements were approved by the Company's Board of Directors on May 6, 2016.

2. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting", using the same accounting policies as outlined in Note 2 of the notes to 2015 consolidated financial statements, except as described in Note 3 below.

In the application of the Company's significant accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates. The measurement of certain assets and liabilities in the preparation of these condensed consolidated interim financial statements includes significant assumptions made by management, which have been set out in Note 4 of the notes to 2015 consolidated financial statements.

The condensed consolidated interim financial statements do not include all of the information required for annual financial statements and should therefore be read in conjunction with the consolidated financial statements included in the Company's 2015 annual report.

3. Application of New and Revised IFRS

On January 1, 2016, the Company adopted the following revised standard:

IAS 1, "Presentation of Financial Statements"

IAS 1 was amended in December 2014 to clarify certain requirements already included in IAS 1 with respect to the application of the concept of materiality, the order of the notes and the presentation of certain line items and subtotals in the statement of financial position, the statement of earnings and the statement of comprehensive income. It did not have any significant impact on the Company's Q1 2016 condensed consolidated interim financial statements.

Accounting Standards Issued but not yet Applied

The following accounting standards have been published: IFRS 9, "Financial Instruments"; IFRS 15, "Revenue from Contracts with Customers"; and IFRS 16, "Leases". The Company has not yet assessed the impact of these standards on the consolidated financial statements.

IFRS 9, "Financial Instruments"

In July 2014, the final version of IFRS 9 was issued and it replaces IAS 39, "Financial Instruments – Recognition and Measurement". Classification and measurement of financial assets are based on a single approach, which reflects the business model in which they are managed and their cash flow characteristics. Requirements for financial liabilities largely carried forward existing requirements in IAS 39. Expected credit losses will be accounted for from when financial instruments are first recognized and the threshold for recognition of full lifetime expected losses is lowered. A new hedge accounting model is introduced, together with corresponding disclosures about risk management activity. The new hedge accounting model will allow entities to better reflect their risk management activities when hedging financial and non-financial risk exposures in the financial statements.

The standard is to be applied for accounting periods beginning on or after January 1, 2018, with early adoption permitted.

IFRS 15, "Revenue from Contracts with Customers"

IFRS 15, issued in May 2014, specifies when and how revenue will be recognized. It provides a single five-step model to be applied to all contracts with customers. It also provides additional disclosure requirements. The standard is to be applied for accounting periods beginning on or after January 1, 2018.

IFRS 16, "Leases"

IFRS 16, issued in February 2016, specifies how to recognize, evaluate and present leases and provide information about them. The standard contains a unique model for lessee accounting which requires the recognition of assets and liabilities for all contracts unless the contract term is 12 months or less or the underlying asset has a low value. However, the recognition by the lessor remains largely unchanged from IAS 17, "Leases", and the distinction between contracts of leasing and contract hire remains single. The standard is effective for accounting periods beginning on or after January 1, 2019.

(in thousands of Canadian dollars, except for per share amounts)

4. Financial Risk Management

Capital Management

The Company monitors the debt/capitalization ratio on a quarterly basis. As at March 26, 2016, the ratio is 19.6% based on debt of $45,044 divided by a capitalization of $230,395 (14.5% as at December 31, 2015, based on $32,079/$221,492), within the Company's objective of less than 40%.

As at March 26, 2016, the Company is in compliance with all of its obligations under the terms of its banking agreements.

Credit Risk

Credit risk arises from the possibility that a counterpart will fail to perform its obligations. The Company conducts a thorough assessment of credit issues prior to committing to the investment and actively monitors the financial health of its investees on an ongoing basis. In addition, the Company is exposed to credit risk from customers. On the one hand, the Company does business mostly with large industrial and well-established customers, thus reducing its credit risk. On the other hand, the number of customers served by the Company is limited, which increases the risk of business concentration and economic dependency. Overall, the Company serves approximately 1,600 customers. For the three months ended March 26, 2016, the 20 largest customers account for 53.8% (49.0% in 2015) of consolidated revenue.

5. Share Capital

During the first quarter of 2016, pursuant to the Company's normal course issuer bid, 10,500 (4,500 in 2015) Class A shares and 200,100 (33,400 in 2015) Class B shares were repurchased and cancelled for cash consideration of $426 ($225 in 2015) and $7,423 ($1,263 in 2015), respectively. Of this amount, the excess over stated capital of the repurchased shares of $419 ($222 in 2015) and $7,017 ($1,197 in 2015), respectively, was charged to retained earnings.

The issued and outstanding shares were as follows:

	As at March 26, 2016 $	As at December 31, 2015 $
7,425,822 Class A shares (7,436,322 as at December 31, 2015)	**4,908**	4,915
4,764,200 Class B shares (4,964,300 as at December 31, 2015)	**9,664**	10,070
	14,572	14,985

As at March 26, 2016, the outstanding balance of the non-interest bearing loans granted under the Employee Stock Purchase Plan ("ESPP") and repayable over two years has a carrying value of $157 ($209 as at December 31, 2015). There remains an unallocated balance of 280,600 Class B shares reserved for issuance pursuant to this ESPP.

(in thousands of Canadian dollars, except for per share amounts)

Dividends

Details of dividends declared per share are as follows:

	For the three months ended	
	March 26, 2016 $	March 28, 2015 $
Class A shares	**0.075**	0.063
Class B shares	**0.083**	0.069

6. Related Party Transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and other related parties are disclosed below.

Trading Transactions

The following tables summarize the Company's related party transactions with its joint ventures:

	For the three months ended	
	March 26, 2016 $	March 28, 2015 $
Sale of services	**409**	355
Purchase of services	**136**	128

	As at March 26, 2016 $	As at December 31, 2015 $
Amounts owed to joint ventures	**578**	2,583
Amounts owed from joint ventures	**1,433**	792

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Loans to Related Parties

The following balances were outstanding at the end of the reporting periods:

	As at March 26, 2016 $	As at December 31, 2015 $
Key management personnel	**42**	56

The Company has provided loans to several members of key management personnel in connection with the ESPP, as described in Note 5.

(in thousands of Canadian dollars, except for per share amounts)

Transactions with Shareholders

The Company's largest shareholder is Sumanic Investments Inc. Transactions with the Company's shareholders were as follows:

	For the three months ended	
	March 26, 2016 $	March 28, 2015 $
Dividends paid to Sumanic Investments Inc.	**436**	363
Dividends paid to certain members of key management personnel	**26**	57

Contribution to Retirement Plans

Total cash payments for employee future benefits for the three-month period ended March 26, 2016, consisting of cash contributed by the Company to its funded benefit retirement plans, cash payments made directly to beneficiaries for its unfunded other benefit retirement plans, and cash contributed to its defined contribution retirement plans, were $802 ($761 in 2015).

Compensation of Key Management Personnel

The compensation of directors and of other members of key management personnel [(1)] was as follows:

	For the three months ended	
	March 26, 2016 $	March 28, 2015 $
Short-term benefits	**1,496**	1,669
Post-employment benefits	**145**	188
Other long-term benefits	**340**	517
	1,981	2,374

[(1)] *The compensation of members of key management personnel includes the compensation of the president of one of the Company's joint ventures*

7. Segmented Information

The Company and its subsidiaries are organized and operate primarily in two reportable industry segments: marine services and environmental services. The accounting policies used within the segments are applied in the same manner as for the condensed consolidated interim financial statements.

The Company discloses information about its reportable segments based upon the measures used by management in assessing the performance of those reportable segments. The Company uses segmented profit before income taxes to measure the operating performance of its segments.

(in thousands of Canadian dollars, except for per share amounts)

The financial information by industry segment is as follows:

	Marine services $	Environmental services $	Total $
For the three months ended March 26, 2016			
Revenue	**45,415**	**19,444**	**64,859**
Profit (loss) before income taxes	**1,010**	**(1,680)**	**(670)**
As at March 26, 2016			
Total assets	**220,544**	**98,912**	**319,456**
Total liabilities	**93,209**	**39,088**	**132,297**
For the three months ended March 28, 2015			
Revenue	48,112	12,260	60,372
Profit (loss) before income taxes	4,272	(1,558)	2,714
As at March 28, 2015			
Total assets	202,466	75,870	278,336
Total liabilities	68,517	28,129	96,646

8. Seasonal Nature of Operations

Operations are affected by weather conditions and are therefore of a seasonal nature. During the winter months, the St. Lawrence Seaway is closed. There is no activity on the Great Lakes, reduced activity on the St. Lawrence River, and no activity in Arctic transportation due to ice conditions.

Sanexen's activities are also affected by weather conditions as the majority of the specialized services it offers depend upon the excavation of soils, which is more difficult during the winter.

Historically, the first quarter and, to a lesser extent, the second quarter have always presented a lower level of activity and yielded weaker results than the other quarters. The third and fourth quarters are usually the most active.

9. Repurchase of the Non-Controlling Interest in Sanexen

On March 24, 2016, Logistec entered into an agreement to acquire the remaining 29.78% equity interest it did not already own in Sanexen for an aggregate consideration of $40,818.

As part of the transaction, the non-controlling interest shareholders of Sanexen exchanged their common shares in the capital of Sanexen for two classes of newly created non-voting and non-dividend bearing preferred shares of Sanexen, Class G Preferred Shares ("Class G shares") and Class H Preferred Shares ("Class H shares"), resulting in Logistec holding 100% of the common shares of Sanexen.

Immediately following the share exchange, Logistec and the non-controlling interest shareholders entered into a put and call option agreement ("Option Agreement") pursuant to which Logistec was granted call options, exercisable in whole or in part at any time, to acquire from the non-controlling interest shareholders their Class G shares for a cash of $15,920, and to acquire their Class H shares in exchange for 754,015 Class B shares in the capital of Logistec with a value of $24,898.

(in thousands of Canadian dollars, except for per share amounts)

Pursuant to the Option Agreement, each non-controlling interest shareholder was granted a put option to sell to Logistec their Class G shares upon certain events, including termination of employment, and a put option to sell to Logistec their Class H shares as to one-fifth (1/5) on each of the first five anniversaries of the signature of the Option Agreement, each at the same price and consideration as the call options granted to Logistec. A 40% discount, representing $4,518, will be applied to the purchase price of the Class G shares of certain non-controlling interest shareholders should they leave Sanexen voluntarily before March 24, 2021.

As at March 24, 2016, Logistec recorded a long-term liability amounting to $8,856, representing the present value of the option to repurchase, for cash, the Class G shares of Sanexen amounting to $11,402, net of the retention discount of 40% described above, and a corresponding decrease to non-controlling interest. The accretion of the long-term liability will be recorded as a charge to interest expense over the expected life of the option. An additional liability amounting to $4,518 will be recorded on a straight-line basis, over a period of 60 months related to the retention discount through a charge to compensation expense.

As at March 24, 2016, Logistec also recorded share capital to be issued amounting to $24,898, representing the fair value at the transaction date of the Class B shares to be issued, related to the option to acquire the Class H shares in exchange for 754,015 Class B shares in the capital of Logistec, as described above, and a corresponding decrease to retained earnings. The fair value of the Class B shares to be issued was determined using a Black-Scholes model based on assumptions of the volatility of Logistec Class B shares, dividend yield and interest rates, resulting in a fair value of $33.02 per share.

Also in March 2016, but not as part of the transaction described above, Logistec disbursed $2,392 to repurchase from certain non-controlling interest shareholders all the Class F Preferred Shares of Sanexen.

10. Business Acquisition

On March 8, 2016, the Company acquired a business for $5,562. This acquisition represents a vertical integration for its environmental services segment.

At the acquisition date, the preliminary fair value of the underlying identifiable assets acquired and liabilities assumed was as follows:

	$
Current assets	1,704
Property, plant and equipment	5,262
Goodwill	2,266
Other non-current financial assets	44
Current liabilities	(1,999)
Deferred income tax liabilities	(374)
Long-term debt	(1,341)
	5,562
Settlement	
Cash	4,562
Balance of sale, payable in two annual instalments of $500	1,000
	5,562

The purchase price allocation is preliminary and is subject to change once final valuations of the assets acquired and liabilities assumed is completed.

Receivables acquired (consisting primarily of trade receivables) as part of the acquisition had a fair value and gross contractual amounts of $919 and are expected to be fully recovered.

(in thousands of Canadian dollars, except for per share amounts)

Goodwill

Cost	$
Balance as at December 31, 2015	**23,915**
Business acquisition	2,266
Effect of foreign currency exchange differences	(311)
Balance as at March 26, 2016	**25,870**

Carrying Amount	**As at March 26, 2016**	As at December 31, 2015
	$	$
Cost	**25,870**	23,915
Accumulated impairment losses	**(1,300)**	(1,300)
	24,570	22,615

Goodwill mainly arose in the acquisition as a result of expected synergies and intangible assets not qualifying for separate recognition. Goodwill is not deductible for tax purposes.

Impact of the Acquisition on the Results of the Company

Revenue and loss for the three-month period ended March 26, 2016 were not significant.

Logistec Corporation
360 St. Jacques Street
Suite 1500
Montréal (QC) H2Y 1P5

www.logistec.com