Interim Financial Report for the Period Ended June 27, 2015

Q2 2015

Revenue
(in millions of Canadian dollars)

	2012	2013	2014	2015
March	44.4	57.4	62.7	**60.4**
June	60.3	72.7	78.7	**89.3**
September	78.5	88.7	93.9	
December	67.7	79.5	86.9	
Year	250.9	298.3	322.2	

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

	2012	2013	2014	2015
March	(1.2)	1.9	4.3	**2.5**
June	3.4	7.4	7.4	**6.7**
September	7.1	11.6	12.0	
December	6.6	6.6	7.3	
Year	15.9	27.5	31.0	

Total earnings (loss) per share [(1)]
(in Canadian dollars)

	2012	2013	2014	2015
March	(0.09)	0.15	0.34	**0.20**
June	0.26	0.57	0.59	**0.54**
September	0.55	0.90	0.95	
December	0.51	0.52	0.58	
Year	1.22	2.13	2.46	

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

To Our Shareholders

Logistec closed the second quarter with satisfactory results. Revenue totalled $89.3 million, an increase of $10.6 million or 13.4% over the same period of 2014. The weaker Canadian dollar against the U.S. dollar had a positive impact of $3.9 million on revenue in the second quarter of 2015, in comparison with the Canadian/U.S. dollar translation rate in the second quarter of 2014.

The marine services segment's revenue grew by $4.3 million or 8.8% to $53.4 million for the second quarter of 2015, whereas the environmental services segment's revenue amounted to $35.9 million, up by $6.2 million over the second quarter of 2014. The growth in the marine services segment reflected an overall increase in volumes of cargo handled. The second quarter of 2015 closed with a consolidated profit attributable to owners of the Company of $6.7 million, down from the same period of 2014. Although operating profit was very similar to last year, overall results were affected by various tax adjustments in 2014 that explain the higher net profit in the second quarter of 2014. For the second quarter of 2015, the profit attributable to owners of the Company translated into total basic and diluted earnings per share of $0.54, of which $0.51 was attributable to Class A Common Shares and $0.57 was attributable to Class B Subordinate Voting Shares.

During the first six months of 2015, consolidated revenue rose to a total of $149.6 million, compared with $141.4 million for the first half of 2014. The profit attributable to owners of the Company amounted to $9.2 million for total basic and diluted earnings per share of $0.74, of which $0.70 was attributable to Class A Common Shares and $0.78 was attributable to Class B Subordinate Voting Shares. For the same period of 2014, basic and diluted earnings per share totalled $0.93, of which $0.90 was attributable to Class A Common Shares and $0.98 was attributable to Class B Subordinate Voting Shares.

Outlook

Overall, our outlook can be qualified as cautiously optimistic. Our environmental services segment should keep up its positive momentum on the strength of a well-filled order backlog. In cargo-handling, a few headwinds, namely a warehouse flooding in Virginia and a fire in Georgia, have led us to be a little more cautious as to the outlook for our year-end results.

(signed) David M. Mann	*(signed)* Madeleine Paquin
David M. Mann	Madeleine Paquin
Chairman of the Board	President and Chief Executive Officer

July 31, 2015

Introduction

This management's discussion and analysis deals with Logistec Corporation's operations, results and financial position for the three-month and six-month periods ended June 27, 2015, and June 28, 2014. 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 2014 consolidated financial statements, except as described in Note 3 of the notes to Q2 2015 condensed consolidated interim financial statements (the "Notes"). 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 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 31 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
	$	$	$	$	$
2015					
Revenue	**60,372**	**89,262**			
Profit attributable to owners of the Company	**2,518**	**6,668**			
Basic and diluted earnings per Class A Common Share [(1)]	**0.19**	**0.51**			
Basic and diluted earnings per Class B Subordinate Voting Share [(2)]	**0.21**	**0.57**			
Total basic and diluted earnings per share	**0.20**	**0.54**			
2014					
Revenue	62,735	78,697	93,908	86,880	322,220
Profit attributable to owners of the Company	4,347	7,444	11,959	7,287	31,037
Basic and diluted earnings per Class A share	0.33	0.57	0.91	0.56	2.37
Basic and diluted earnings per Class B share	0.36	0.62	1.00	0.61	2.59
Total basic and diluted earnings per share	0.34	0.59	0.95	0.58	2.46

(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.

Results

Revenue

Consolidated revenue totalled $89.3 million in the second quarter of 2015, up by $10.6 million or 13.4% over $78.7 million for the same period in 2014. Consolidated revenue was positively affected by $3.9 million due to a weaker Canadian dollar against the U.S. dollar in this quarter of 2015, as opposed to the Canadian/U.S. dollar translation rate in the second quarter of 2014.

The marine services segment's revenue grew by $4.3 million or 8.8% to $53.4 million for the second quarter of 2015. This growth is due to a general increase in volumes of cargo handled.

The environmental services segment delivered a strong second-quarter performance, as revenue increased to $35.9 million, up by $6.2 million or 21.0% over the same period in 2014. Growth came from the increase in both site remediation and Aqua-Pipe-related activities.

For the six-month period ended June 27, 2015, consolidated revenue totalled $149.6 million, up by $8.2 million over $141.4 million for the same period in 2014. The positive impact on revenue of the currency translation from the weaker Canadian dollar versus the U.S. dollar amounted to $6.2 million for the first six months of 2015.

The marine services segment's revenue reached $101.5 million for the first half of 2015, up by $6.7 million over $94.8 million for the same period last year.

The environmental services segment delivered a good performance, as revenue totalled $48.1 million, an increase of $1.5 million or 3.2% over the revenue of $46.6 million posted for the same period in 2014.

Employee Benefits Expense

Employee benefits expense increased by $5.2 million in the second quarter of 2015 to $42.3 million, compared with $37.1 million for the same quarter of 2014. Despite this increase, employee benefits expense to revenue showed a similar ratio at 47.4%, compared with 47.1% for the same period last year.

For the first half of 2015, employee benefits expense reached $74.0 million, an increase of $8.4 million or 12.8% over the expense of $65.7 million recorded for the same period last year. The increase came mainly from higher activity in the marine services segment. The ratio of employee benefits expense to revenue was slightly higher at 49.5%, compared with 46.4% for the same period last year.

Equipment and Supplies Expense

Equipment and supplies expense amounted to $23.2 million in the second quarter of 2015, an increase of $4.2 million or 21.9% from the $19.1 million reported in the second quarter of 2014. This increase is, for the most part, in line with our revenue growth, although it was influenced by Sanexen's revenue mix. Indeed, Sanexen had more site remediation revenue, which has a higher equipment cost component. Consequently, the overall proportion of equipment and supplies expense to revenue is higher with a ratio of 26.0% in the first quarter of 2015, compared with 24.2% for the same period in 2014.

Equipment and supplies expense for the first half of 2015 totalled $37.2 million, a slight decrease of $0.2 million or 0.6% over the first half of 2014, despite our revenue growth. Consequently, the overall proportion of equipment and supplies expense to revenue shows a better ratio of 24.9% in the first half of 2015 compared with 26.5% for the same period in 2014. This ratio is mainly attributable to reduced activity for Sanexen during the first quarter of 2015, which was partly offset by a higher equipment and supplies cost component in the second quarter of 2015, as discussed in the previous paragraph.

Rental Expense

In the second quarter of 2015, rental expense was at $7.1 million, compared with $6.6 million for the same period in 2014. Such expense does not fluctuate substantially from quarter to quarter, unless changes occur within our network of facilities.

For the first half of 2015, rental expense stood at $14.1 million, representing 9.4% of revenue. This figure is stable compared with $12.9 million for the same period in 2014, which represented 9.1% of revenue.

In both the second quarter and the first half of 2015, the variable portion of this expense reflects additional throughput due to volume increases from the marine services segment.

Share of Profit of Equity Accounted Investments

Share of profit of equity accounted investments was $0.7 million in the second quarter of 2015, down from $1.0 million for the same period in 2014. For the first six months of 2015, share of profit of equity accounted investments totalled $0.8 million, compared with $1.1 million for the corresponding period in 2014. These slight decreases come from one of our joint ventures in Montréal, since our container activities incurred additional expenses due to the start-up of a new terminal.

Profit for the Period and Earnings per Share

Overall, the Company achieved a profit for the period of $7.6 million in the second quarter of 2015, of which $0.9 million was attributable to non-controlling interests, leaving a profit attributable to owners of the Company of $6.7 million. This translated into total basic and diluted earnings per share of $0.54, of which $0.51 per share was attributable to Class A shares and $0.57 per share was attributable to Class B shares.

For the first six months of 2015, the Company achieved a profit for the period of $9.8 million, of which $0.6 million was attributable to non-controlling interests, leaving a profit attributable to owners of the Company of $9.2 million. This translated into total basic and diluted earnings per share of $0.74, of which $0.70 per share was attributable to Class A shares and $0.78 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 May 8, 2015, the Board of Directors declared dividends of $0.0625 per Class A share and $0.06875 per Class B share, for a total consideration of $0.8 million. These dividends were paid on July 3, 2015, to shareholders of record as at June 19, 2015.

On July 31, 2015, the Company's Board of Directors elected to increase the dividend payment by 20.0% for both classes of shares.

Accordingly, the Company declared dividends of $0.0750 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 October 15, 2015, to shareholders of record as at October 1, 2015.

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 2014 annual report and were applied consistently in the second quarter of 2015. Please also refer to Note 4 of the notes for an update on financial risk management information.

Capital Resources

Total assets amounted to $300.3 million as at June 27, 2015, up by $13.2 million from the closing balance of $287.0 million as at December 31, 2014.

Cash and cash equivalents totalled $11.1 million at the end of the second quarter of 2015, down by $15.3 million from $26.4 million as at December 31, 2014. The main items behind this decrease were as follows:

(in thousands of dollars)

Positive:	
Profit for the period	9,755
Issuance of long-term debt	8,642
Current income taxes	3,477
Depreciation and amortization expense	5,592
Dividends received from equity accounted investments	1,461
	28,927
Negative:	
Acquisition of property, plant and equipment	(11,681)
Changes in non-cash working capital items	(9,436)
Repurchase of share capital	(3,026)
Acquisition of other non-current assets (take-or-pay service contract)	(10,287)
Income taxes paid	(6,054)
Repayment of long-term debt and net change in short-term bank loans	(3,861)
	(44,345)

Working Capital

Working capital totalled $52.4 million at the end of the second quarter of 2015, for a current ratio of 2.00:1. This is lower than the working capital of $59.0 million, with a ratio of 2.25:1 posted as at December 31, 2014. The main reasons for the decrease in the current ratio are the increase of $2.7 million in trade and other payables, and the increase of $1.3 million in deferred revenue, both of which are included under "Other Items in the Consolidated Statements of Financial Position" in this report. Additionally, the acquisition of fixed assets for $11.7 million, of which $8.6 million was financed through the use of our long-term debt facilities, required a net use of cash of $3.1 million and had a direct impact on working capital.

Equity Attributable to Owners of the Company

Equity attributable to owners of the Company amounted to $170.5 million as at June 27, 2015. Adding long-term debt yields a capitalization of $203.9 million, which computes to a debt/capitalization ratio of 16.4%, 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 July 31, 2015, 7,444,922 Class A shares and 5,003,300 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 for further details regarding the Company's share capital.

Significant Joint Venture

As disclosed in Note 20 of the Notes to 2014 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 for Termont Terminal Inc. at 100%. The Company holds a 50% equity interest in this joint venture:

(in thousands of dollars)

	As at June 27, 2015 $	As at December 31, 2014 $
Statement of financial position		
Total assets	**31,611**	30,903
Total liabilities	**277**	60

	For the three months ended		**For the six months ended**	
	June 27, 2015 $	June 28, 2014 $	**June 27, 2015 $**	June 28, 2014 $
Statement of earnings				
Revenue	**722**	688	**1,396**	1,255
Share of profit of an equity accounted investment	**1,311**	1,926	**1,672**	3,063
Profit for the period	**1,737**	2,347	**2,493**	3,810

Other Items in the Consolidated Statements of Financial Position

Financial Position as at *(in millions of dollars)*	**June 27, 2015 $**	December 31, 2014 $	**Var. $**	**Var. %**	Explanation of Variation
Work in progress	**5.9**	1.0	**4.8**	**470.4**	Work in progress represents the gross unbilled amount that will be collected from customers for contract work performed to date in our environmental services segment. Increased site remediation activity led to higher work in progress at the end of the second quarter of 2015.
Current income tax assets	**5.1**	2.6	**2.4**	**91.6**	Current income tax assets and current income tax liabilities vary depending on the profit versus the instalments made by tax jurisdiction. Any balances due from the previous fiscal year-end are paid in the second quarter of the following year, explaining the reduction in liabilities for the second quarter of 2015.
Current income tax liabilities	**0.7**	1.2	**(0.5)**	**(38.9)**	
Prepaid expense	**6.3**	3.2	**3.2**	**102.9**	The majority of the increase of prepaid and other non-current assets stems from a $10 million take-or-pay service contract with a supplier. Prepaid expense and other non-current assets will be reduced as the services are received, and this arrangement is for a period of three years. The estimated services to be received during 2015 amount to $3.3 million. This portion of the $10 million contract has been classified as a prepaid expense.
Other non-current assets	**7.6**	1.7	**5.9**	**344.8**	
Property, plant and equipment	**107.6**	99.7	**8.0**	**8.0**	The majority of the increase stems from acquisitions totalling $11.7 million, which exceed the depreciation expense of $4.9 million for the first half of 2015.
Trade and other payables	**43.2**	40.5	**2.7**	**6.8**	The increase mainly reflects the reclassification of the cumulative charge for the Company's long-term incentive plans previously recorded as non-current financial liabilities.
Current portion of long-term debt	**2.1**	1.3	**0.9**	**70.1**	The variation stems from the $6.6 million increase in long-term debt used for the ongoing expansion of the Niedner plant in the environmental services segment and the $2.0 million increase for cash flow needs of the marine services segment, less $4.6 million in discretionary and regular repayments in the first half of 2015.
Long-term debt	**31.2**	28.0	**3.2**	**11.4**	
Non-current financial liabilities	**2.6**	5.0	**(2.3)**	**(46.9)**	The balance decrease as at June 27, 2015 is mainly due to the reclassification to short term of cumulative charges for the Company's $2.7 million long-term incentive plans, as discussed above.

All other items included in the condensed consolidated interim statements of financial position varied according to normal business parameters in the second quarter of 2015.

Application of New and Revised IFRS

On January 1, 2015, the Company adopted IAS 19, "Employee Benefits", which did not affect the presentation of amounts reported in the financial statements. Please refer to Note 3 of the notes to Q2 2015 condensed consolidated interim 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", 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 Q2 2015 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 Q2 2015 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 second quarter of 2015 that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

Outlook

In the marine services segment, the Canadian break-bulk operations are doing well, while the bulk business is maintaining a level of activity comparable to last year. With respect to containers, operations at the new terminal in Montréal have begun. Start-up expenses and poor labour productivity have impacted operating costs negatively, but in the coming months, labour training and optimization of available space should bring improved results.

On the U.S. side, the situation is more challenging. Severe congestion at the Port of Virginia, coupled with the effects of the warehouse flooding, led to a difficult start for CrossGlobe in 2015. The second half of the year is expected to be better.

On July 11, 2015, a fire erupted at our facilities in Brunswick (GA), where the Company handles biomass. Fortunately, no one was injured, and emergency services did an outstanding job in responding to the crisis. Activity at the terminal has resumed but the damage to certain storage sheds and the conveyor system will have an impact on terminal capacity and the efficiency of biomass-related activities. The reconstruction is expected to take in excess of a year. All sheds, equipment and cargoes affected by the fire were insured. The reconstruction cost of the lost properties and equipment has not yet been determined. Some assets were company-owned, while others were leased from the Georgia Ports Authority. The determination of what can be salvaged and what has to be rebuilt is not completed, therefore the Company is not in a position to disclose the exact value of the assets to be replaced. The net book value of the Company's assets involved in this incident is approximately $8.0 million.

The environmental services segment performed very well in the second quarter, and with a well-filled order backlog, this segment is expected to achieve very good results in 2015.

In the long term, management continues to actively work on business development projects that will ensure sustainable growth.

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

July 31, 2015

(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		For the six months ended	
	June 27, 2015 $	June 28, 2014 $	**June 27, 2015 $**	June 28, 2014 $
Revenue	**89,262**	78,697	**149,634**	141,432
Employee benefits expense	**(42,292)**	(37,069)	**(74,039)**	(65,663)
Equipment and supplies expense	**(23,219)**	(19,053)	**(37,247)**	(37,477)
Rental expense	**(7,101)**	(6,647)	**(14,066)**	(12,937)
Other expenses	**(3,601)**	(3,109)	**(6,908)**	(6,326)
Depreciation and amortization expense	**(2,893)**	(2,439)	**(5,592)**	(4,921)
Share of profit of equity accounted investments	**690**	955	**797**	1,143
Other gains and losses	**(205)**	(606)	**942**	1,453
Operating profit	**10,641**	10,729	**13,521**	16,704
Finance expense	**(210)**	(131)	**(465)**	(222)
Finance income	**33**	95	**122**	209
Profit before income taxes	**10,464**	10,693	**13,178**	16,691
Income taxes	**(2,858)**	(2,548)	**(3,423)**	(4,154)
Profit for the period	**7,606**	8,145	**9,755**	12,537
Profit attributable to:				
Owners of the Company	**6,668**	7,444	**9,186**	11,791
Non-controlling interests	**938**	701	**569**	746
Profit for the period	**7,606**	8,145	**9,755**	12,537
Basic and diluted earnings per Class A Common Share [(1)]	**0.51**	0.57	**0.70**	0.90
Basic and diluted earnings per Class B Subordinate Voting Share [(2)]	**0.57**	0.62	**0.78**	0.98
Weighted average number of Class A shares outstanding, basic and diluted	**7,446,622**	7,464,889	**7,451,972**	7,467,455
Weighted average number of Class B shares outstanding, basic and diluted	**5,026,633**	5,164,233	**5,038,133**	5,208,433

[(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		For the six months ended	
	June 27, 2015	June 28, 2014	**June 27, 2015**	June 28, 2014
	$	$	**$**	$
Profit for the period	**7,606**	8,145	**9,755**	12,537
Other comprehensive income (loss)				
Items that are or may be reclassified to the consolidated statements of earnings				
Currency translation differences arising on translation of foreign operations	**(804)**	(1,059)	**2,021**	35
Gains (losses) on derivatives designated as cash flow hedges	**45**	1	**(118)**	(1)
Transfer of losses on derivatives designated as cash flow hedges to the consolidated statements of earnings	**20**	–	**29**	2
Income taxes relating to derivatives designated as cash flow hedges	**(18)**	–	**24**	–
Share of other comprehensive income of equity accounted investments, net of income taxes	**6**	–	**–**	–
Total items that are or may be reclassified to the consolidated statements of earnings	**(751)**	(1,058)	**1,956**	36
Items that will not be reclassified to the consolidated statements of earnings				
Remeasurement gains (losses) on benefit obligation	**960**	(797)	**9**	(1,588)
Return on retirement plan assets excluding amounts included in profit for the period	**(280)**	83	**263**	789
Income taxes on remeasurement gains (losses) on benefit obligation and return on retirement plan assets excluding amounts included in profit for the period	**(184)**	192	**(74)**	215
Share of other comprehensive income of equity accounted investments, net of income taxes	**1**	7	**8**	41
Total items that will not be reclassified to the consolidated statements of earnings	**497**	(515)	**206**	(543)
Other comprehensive income (loss) for the period, net of income taxes	**(254)**	(1,573)	**2,162**	(507)
Total comprehensive income for the period	**7,352**	6,572	**11,917**	12,030
Total comprehensive income attributable to:				
Owners of the Company	**6,414**	5,871	**11,348**	11,284
Non-controlling interests	**938**	701	**569**	746
Total comprehensive income for the period	**7,352**	6,572	**11,917**	12,030

(in thousands of Canadian dollars)

Condensed Consolidated Interim Statements of Financial Position

	Notes	As at June 27, 2015 $	As at December 31, 2014 $
Assets			
Current assets			
Cash and cash equivalents		**11,118**	26,381
Investment in a service contract		**267**	1,366
Trade and other receivables		**69,488**	67,052
Work in progress		**5,858**	1,027
Current income tax assets		**5,055**	2,638
Prepaid expenses		**6,301**	3,106
Inventories		**6,586**	4,585
		104,673	106,155
Equity accounted investments		**26,472**	27,123
Investment in a service contract		**974**	–
Property, plant and equipment		**107,648**	99,663
Goodwill		**21,644**	21,407
Other intangible assets		**18,735**	18,286
Other non-current assets		**7,580**	1,704
Post-employment benefit assets		**736**	768
Non-current financial assets		**3,338**	3,432
Deferred income tax assets		**8,457**	8,449
Total assets		**300,257**	286,987
Liabilities			
Current liabilities			
Short-term bank loans		**684**	–
Trade and other payables		**43,196**	40,452
Deferred revenue		**3,733**	2,475
Current income tax liabilities		**708**	1,159
Dividends payable		**811**	815
Current portion of long-term debt		**2,145**	1,261
Provisions		**959**	1,001
		52,236	47,163
Long-term debt		**31,199**	28,007
Provisions		**754**	644
Deferred income tax liabilities		**9,735**	9,380
Post-employment benefit obligations		**11,934**	12,453
Deferred revenue		**4,733**	4,933
Non-current financial liabilities		**2,647**	4,983
Total liabilities		**113,238**	107,563
Equity			
Share capital	5	**15,110**	14,906
Retained earnings		**149,379**	144,513
Accumulated other comprehensive income		**6,038**	4,082
Equity attributable to owners of the Company		**170,527**	163,501
Non-controlling interests		**16,492**	15,923
Total equity		**187,019**	179,424
Total liabilities and equity		**300,257**	286,987

(in thousands of Canadian dollars)

Condensed Consolidated Interim Statements of Changes in Equity

		Attributable to owners of the Company						
			Accumulated other comprehensive income					
	Notes	Share capital $	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		–	–	–	9,186	9,186	569	9,755
Other comprehensive income (loss)								
Currency translation differences arising on translation of foreign operations		–	–	2,021	–	2,021	–	2,021
Remeasurement losses on benefit obligation and return on retirement plan assets excluding amounts included in profit for the period, net of income taxes		–	–	–	198	198	–	198
Cash flow hedges, net of income taxes		–	(67)	–	–	(67)	–	(67)
Share of other comprehensive income of equity accounted investments, net of income taxes		–	2	–	8	10	–	10
Total comprehensive income (loss) for the period		–	(65)	2,021	9,392	11,348	569	11,917
Repurchase of Class A shares	5	(10)	–	–	(709)	(719)	–	(719)
Issuance and repurchase of Class B shares	5	214	–	–	(2,194)	(1,980)	–	(1,980)
Dividends on Class A shares	5	–	–	–	(931)	(931)	–	(931)
Dividends on Class B shares	5	–	–	–	(692)	(692)	–	(692)
Balance as at June 27, 2015		**15,110**	**(121)**	**6,159**	**149,379**	**170,527**	**16,492**	**187,019**

(in thousands of Canadian dollars)

Condensed Consolidated Interim Statements of Changes in Equity (Continued)

	Notes	Attributable to owners of the Company					Non-controlling interests	Total equity
			Accumulated other comprehensive income					
		Share capital	Cash flow hedges	Foreign currency translation	Retained earnings	Total		
		$	$	$	$	$	$	$
Balance as at January 1, 2014		**15,030**	**(33)**	**1,342**	**135,552**	**151,891**	**11,791**	**163,682**
Profit for the period		–	–	–	11,791	11,791	746	12,537
Other comprehensive income (loss)								
Currency translation differences arising on translation of foreign operations		–	–	35	–	35	–	35
Remeasurement losses on benefit obligation and return on retirement plan assets excluding amounts included in profit for the period, net of income taxes		–	–	–	(584)	(584)	–	(584)
Share of other comprehensive income of equity accounted investments, net of income taxes		–	1	–	41	42	–	42
Total comprehensive income for the period		–	1	35	11,248	11,284	746	12,030
Repurchase of Class A shares	5	(6)	–	–	(273)	(279)	–	(279)
Issuance and repurchase of Class B shares	5	29	–	–	(4,946)	(4,917)	–	(4,917)
Non-controlling interests arising on a business acquisition		–	–	–	–	–	1,475	1,475
Issuance and repurchase of share capital by a subsidiary		–	–	–	(167)	(167)	(823)	(990)
Dividends on Class A shares	5	–	–	–	(6,382)	(6,382)	–	(6,382)
Dividends on Class B shares	5	–	–	–	(4,857)	(4,857)	–	(4,857)
Balance as at June 28, 2014		**15,053**	**(32)**	**1,377**	**130,175**	**146,573**	**13,189**	**159,762**

(in thousands of Canadian dollars)

Condensed Consolidated Interim Statements of Cash Flows

	Notes	For the six months ended June 27, 2015 $	June 28, 2014 $
Operating activities			
Profit for the period		**9,755**	12,537
Items not affecting cash and cash equivalents		**11,982**	12,147
Cash generated from operations		**21,737**	24,684
Dividends received from equity accounted investments		**1,461**	1,871
Contributions to defined benefit retirement plans		**(735)**	(741)
Settlement of provisions		**(103)**	(43)
Changes in non-cash working capital items		**(9,436)**	2,162
Income taxes paid		**(6,054)**	(8,536)
		6,870	19,397
Financing activities			
Net change in short-term bank loans		**684**	(2,087)
Issuance of long-term debt, net of transaction cost		**8,642**	12,000
Repayment of long-term debt		**(4,545)**	(925)
Interest paid		**(588)**	(209)
Repurchase of Class A shares	5	**(719)**	(279)
Issuance of Class B shares	5	**113**	146
Repurchase of Class B shares	5	**(2,307)**	(5,299)
Repurchase of share capital by a subsidiary		**–**	(989)
Dividends paid on Class A shares		**(932)**	(785)
Dividends paid on Class B shares		**(695)**	(608)
		(347)	965
Investing activities			
Customer repayment of an investment in a service contract		**125**	113
Interest received		**167**	305
Cash acquired in a business acquisition		**–**	1,622
Business acquisition		**–**	(5,752)
Acquisition of property, plant and equipment		**(11,681)**	(14,570)
Proceeds from disposal of property, plant and equipment		**125**	589
Acquisition of intangible assets		**(45)**	(123)
Acquisition of other non-current assets		**(10,287)**	(182)
		(21,596)	(17,998)
Net change in cash and cash equivalents		**(15,073)**	2,364
Cash and cash equivalents, beginning of period		**26,381**	19,638
Effect of exchange rate on balances held in foreign currencies of foreign operations		**(190)**	(22)
Cash and cash equivalents, end of period		**11,118**	21,980
Additional information			
Acquisition of property, plant and equipment included in trade and other payables		**3,085**	1,171

1. General Information

Logistec Corporation provides specialized cargo handling and other services to a wide variety of marine, industrial and municipal customers. The Company operates in the marine services sector and has cargo-handling facilities in 31 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 good 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 July 31, 2015.

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 2014 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 2014 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 2014 annual report.

3. Application of New and Revised IFRS

On January 1, 2015, the Company adopted the following revised standard:

IAS 19, "Employee Benefits"

IAS 19 was amended in November 2013 to simplify the accounting for contributions that are independent of the number of years of employee service. No differences were identified in the accounting for the contributions made by the Company to its defined benefit retirement plans and consequently, no adjustments to 2014 comparative figures were required.

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 IAS 1, "Presentation of Financial Statements". 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.

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. The amendments are to be applied for accounting periods beginning on or after January 1, 2016.

(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 June 27, 2015, the ratio is 16.4% based on debt of $33,344 divided by a capitalization of $203,871 (15.2% as at December 31, 2014, based on $29,268/$192,769), within the Company's objective of less than 40%.

As at June 27, 2015, 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 2,000 customers. For the six months ended June 27, 2015, the 20 largest customers account for 50.3% (53.9% in 2014) of consolidated revenue and not a single customer accounts for more than 10% of consolidated revenue and trade receivable.

5. Share Capital

Since the beginning of the year, pursuant to the Company's normal course issuer bid, 14,400 (9,200 in 2014) Class A shares and 57,400 (185,600 in 2014) Class B shares were repurchased and cancelled for cash consideration of $719 ($279 in 2014) and $2,307 ($5,299 in 2014), respectively. Of this amount, the excess over stated capital of the repurchased shares of $709 ($273 in 2014) and $2,194 ($4,946 in 2014), respectively, was charged to retained earnings.

The issued and outstanding shares were as follows:

	As at June 27, 2015 $	As at December 31, 2014 $
7,445,922 Class A shares (7,460,322 as at December 31, 2014)	**4,921**	4,931
5,020,400 Class B shares (5,069,600 as at December 31, 2014)	**10,189**	9,975
	15,110	14,906

As at June 27, 2015, 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 $333 ($218 as at December 31, 2014). There remains an unallocated balance of 280,600 Class B shares reserved for issuance pursuant to this ESPP.

During the second quarter ended June 27, 2015, under the ESPP, 8,200 (13,800 in 2014) Class B shares were issued for cash consideration of $113 ($146 in 2014) and non-interest bearing loans of $214 ($236 in 2014) repayable over two years. The portion of the non-interest bearing loans granted to key management personnel of the Company amounted to $61 ($81 in 2014).

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

Dividends

Details of dividends declared per share are as follows:

	For the six months ended	
	June 27, 2015	June 28, 2014
	$	$
Class A shares	**0.13**	0.86
Class B shares	**0.14**	0.94

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		For the six months ended	
	June 27, 2015	June 28, 2014	**June 27, 2015**	June 28, 2014
	$	$	**$**	$
Sale of services	**1,227**	181	**1,582**	346
Purchase of services	**148**	128	**276**	233

	As at	As at
	June 27, 2015	December 31, 2014
	$	$
Amounts owed to joint ventures	**167**	582
Amounts owed from joint ventures	**2,641**	5,210

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	As at
	June 27, 2015	December 31, 2014
	$	$
Key management personnel	**102**	78

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 six months ended	
	June 27, 2015	June 28, 2014
	$	$
Dividends paid to Sumanic Investments Inc.	**726**	606
Dividends paid to certain members of key management personnel	**114**	100

Dividends Received from Related Parties

During the three-month period ended June 27, 2015, the Company received dividends of $1,461 ($196 in 2014) from its joint ventures, for a total of $1,461 ($1,871 in 2014) since the beginning of the year, which have been recorded as a reduction of equity accounted investments.

Contribution to Retirement Plans

Total cash payments for employee future benefits for the six-month period ended June 27, 2015, 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 $1,645 ($1,647 in 2014).

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		For the six months ended	
	June 27, 2015	June 28, 2014	**June 27, 2015**	June 28, 2014
	$	$	**$**	$
Short-term benefits	**1,841**	1,466	**3,510**	2,948
Post-employment benefits	**93**	104	**281**	247
Other long-term benefits	**1,469**	315	**1,986**	778
	3,403	1,885	**5,777**	3,973

(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 June 27, 2015			
Revenue	**53,388**	**35,874**	**89,262**
Profit before income taxes	**5,794**	**4,670**	**10,464**
For the six months ended June 27, 2015			
Revenue	**101,500**	**48,134**	**149,634**
Profit before income taxes	**10,066**	**3,112**	**13,178**
As at June 27, 2015			
Total assets	**203,575**	**96,682**	**300,257**
Total liabilities	**67,622**	**45,616**	**113,238**
For the three months ended June 28, 2014			
Revenue	49,052	29,645	78,697
Profit before income taxes	7,308	3,385	10,693
For the six months ended June 28, 2014			
Revenue	94,801	46,631	141,432
Profit before income taxes	13,118	3,573	16,691
As at December 31, 2014			
Total assets	204,620	82,367	286,987
Total liabilities	74,152	33,411	107,563

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. Event After the Reporting Period

On July 11, 2015, a fire destroyed two leased warehouses, a conveyor system and certain other assets at our bulk facilities in Brunswick (GA). The estimated carrying value of the assets is $8.0 million in our statement of financial position as at June 27, 2015. Pursuant to our lease agreement with the Georgia Ports Authority, we are required to rebuild the affected warehouses. We believe the proceeds from our insurance coverage will cover the replacement cost of the assets destroyed but have yet to be determined. Other damages resulting from the fire are also expected to be covered. The financial statements as at and for the periods ended June 27, 2015 do not reflect the impact of the fire.

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