Interim Financial Report for the Period Ended September 26, 2015

Q3 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	**115.9**
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	**12.1**
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	**0.97**
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 third quarter with satisfactory results. Revenue totalled $115.9 million, an increase of $22.0 million or 23.5% over the same period of 2014. The weaker Canadian dollar against the U.S. dollar had a positive impact of $3.4 million on revenue in the third quarter of 2015, in comparison with the Canadian/U.S. dollar translation rate in the third quarter of 2014.

The marine services segment's revenue grew by $1.8 million or 3.7% to $50.5 million for the third quarter of 2015, whereas the environmental services segment's revenue amounted to $65.4 million, up by $20.2 million or 44.8% over the third quarter of 2014. The significant growth in the environmental services segment reflected an overall increase in activities, more specifically in Sanexen's Aqua-Pipe and site remediation business. The third quarter of 2015 closed with a consolidated profit attributable to owners of the Company of $12.1 million, up slightly by $0.1 million over the same period of 2014. Results were positively affected by a $1.6 million gain on foreign currency translation and a $1.9 million gain on a judgement and general mutual release. For the third quarter of 2015, the profit attributable to owners of the Company translated into total basic and diluted earnings per share of $0.97, of which $0.94 was attributable to Class A Common Shares and $1.03 was attributable to Class B Subordinate Voting Shares.

During the first nine months of 2015, consolidated revenue rose to a total of $265.6 million, compared with $235.3 million for the first nine months of 2014. The profit attributable to owners of the Company amounted to $21.3 million for total basic and diluted earnings per share of $1.71, of which $1.64 was attributable to Class A Common Shares and $1.81 was attributable to Class B Subordinate Voting Shares. For the same period of 2014, basic and diluted earnings per share totalled $1.88, of which $1.81 was attributable to Class A Common Shares and $1.98 was attributable to Class B Subordinate Voting Shares.

Outlook

Overall, we are cautiously optimistic in regard to our outlook. On the one hand, our environmental services segment should keep up its positive momentum on the strength of a well-filled order backlog. On the other hand, in cargo handling, a number of challenges such as last winter's warehouse flooding in Virginia and this summer's fire in Georgia have led us to be slightly more cautious towards our year-end outlook.

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

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

November 5, 2015

Introduction

This management's discussion and analysis deals with Logistec Corporation's operations, results and financial position for the three-month and nine-month periods ended September 26, 2015, and September 27, 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 Q3 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 29 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**	**115,933**		
Profit attributable to owners of the Company	**2,518**	**6,668**	**12,102**		
Basic and diluted earnings per Class A Common Share [(1)]	**0.19**	**0.51**	**0.94**		
Basic and diluted earnings per Class B Subordinate Voting Share [(2)]	**0.21**	**0.57**	**1.03**		
Total basic and diluted earnings per share	**0.20**	**0.54**	**0.97**		
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 $115.9 million in the third quarter of 2015, up by $22.0 million or 23.5% over $93.9 million for the same period in 2014. Consolidated revenue was positively affected by $3.4 million due to a weaker Canadian dollar against the U.S. dollar in the third quarter of 2015, as opposed to the Canadian/U.S. dollar translation rate in the same period of 2014.

The marine services segment's revenue grew by $1.8 million or 3.7% to $50.5 million for the third quarter of 2015. This amount includes a positive variance due to foreign exchange. Excluding this variance, revenue was stable, with an increase in break-bulk volumes which was offset by a decrease in bulk volumes.

The environmental services segment delivered a very strong third-quarter performance, as revenue increased to $65.4 million, up by $20.2 million or 44.8% over the same period in 2014. Growth came from an overall increase in activities, more specifically from Sanexen's Aqua-Pipe and site remediation business.

For the nine-month period ended September 26, 2015, consolidated revenue totalled $265.6 million, up by $30.2 million over $235.3 million for the same period in 2014. The positive impact on revenue of the currency translation from the weaker Canadian dollar against the U.S. dollar amounted to $10.4 million.

For the first nine months of 2015, the marine services segment's revenue reached $152.0 million, up by $8.5 million over $143.5 million for the same period last year. The environmental services segment delivered a very good performance, as revenue totalled $113.6 million, an increase of $21.7 million or 23.7% over the revenue of $91.8 million posted for the same period in 2014.

Employee Benefits Expense

Employee benefits expense increased by $11.7 million in the third quarter of 2015 to $56.5 million, compared with $44.8 million for the same quarter of 2014. Despite this increase, the employee benefits expense to revenue ratio stood at 48.7%, similar to the 47.7% posted for the same period last year.

For the first nine months of 2015, employee benefits expense reached $130.5 million, an increase of $20.0 million or 18.2% over the expense of $110.4 million recorded for the same period last year. The increase came mainly from greater activity in the environmental services segment.

Equipment and Supplies Expense

Equipment and supplies expense amounted to $31.2 million in the third quarter of 2015, an increase of $8.0 million or 34.9% over the $23.1 million reported in the third quarter of 2014. This increase is, for the most part, in line with our revenue growth, and was particularly influenced by Sanexen's revenue mix. Sanexen indeed recorded more site remediation revenue, which has a higher equipment cost component. Consequently, the overall proportion of equipment and supplies expense to revenue was higher, posting a ratio of 26.9% for the third quarter of 2015, versus 24.6% for the same period in 2014.

Equipment and supplies expense for the first nine months of 2015 totalled $68.5 million, an increase of $7.8 million or 12.9% over the same period in 2014. This increase is in line with our revenue growth, and the overall ratio of equipment and supplies expense to revenue was therefore the same for the first nine months of both 2015 and 2014, standing at 25.8%.

Rental Expense

In the third quarter of 2015, rental expense amounted to $7.2 million, compared with $7.0 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 nine months of 2015, rental expense stood at $21.3 million, representing 8.0% of revenue. This figure is stable compared with $19.9 million for the same period in 2014, which represented 8.5% of revenue.

Other Gains and Losses

Other gains and losses showed a $3.7 million gain for the third quarter of 2015, compared with a $0.6 million gain in the third quarter of 2014. The variation is mostly due to a $1.9 million gain on a settlement and general mutual release with a third party. It is also due to the depreciation of the Canadian dollar against the U.S. dollar in the third quarter of 2015, which generated a gain on foreign currency translation of $1.6 million.

Other gains and losses for the first nine months of 2015 showed a gain of $4.7 million, compared with $2.1 million in 2014. This $2.6 million variation is due to the same factors mentioned above.

Profit for the Period and Earnings per Share

Overall, the Company achieved a profit for the period of $14.6 million in the third quarter of 2015, of which $2.5 million was attributable to non-controlling interests, leaving a profit attributable to owners of the Company of $12.1 million. This translated into total basic and diluted earnings per share of $0.97, of which $0.94 per share was attributable to Class A shares and $1.03 per share was attributable to Class B shares.

For the first nine months of 2015, the Company achieved a profit for the period of $24.4 million, of which $3.1 million was attributable to non-controlling interests, leaving a profit attributable to owners of the Company of $21.3 million. This translated into total basic and diluted earnings per share of $1.71, of which $1.64 per share was attributable to Class A shares and $1.81 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 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 were 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 third 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 $334.1 million as at September 26, 2015, up by $47.1 million over the closing balance of $287.0 million as at December 31, 2014.

Cash and cash equivalents totalled $13.3 million at the end of the third quarter of 2015, down by $13.1 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	24,390
Issuance of long-term debt and increase in short-term bank loans	14,516
Current income taxes	8,567
Depreciation and amortization expense	8,720
	56,193
Negative:	
Acquisition of property, plant and equipment	(20,133)
Changes in non-cash working capital items	(22,554)
Repurchase of share capital	(4,657)
Acquisition of other non-current assets (take-or-pay service contract)	(10,287)
Income taxes paid	(6,500)
Repayment of long-term debt	(7,146)
	(71,277)

Working Capital

Working capital totalled $66.9 million at the end of the third quarter of 2015, for a current ratio of 1.95:1. This is higher in dollars than the working capital of $59.0 million, but lower than the ratio of 2.25:1 posted as at December 31, 2014. The decrease in the current ratio is due to the acquisition of fixed assets for $20.1 million, of which $10.6 million was financed through the use of our long-term debt facilities and the disbursement of $9.5 million in net cash. This acquisition had a direct impact on working capital.

Equity Attributable to Owners of the Company

Equity attributable to owners of the Company amounted to $182.9 million as at September 26, 2015. Adding long-term debt yields a capitalization of $215.7 million, which computes to a debt/capitalization ratio of 15.2%, 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 November 5, 2015, 7,440,922 Class A shares and 4,976,200 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 September 26, 2015	As at December 31, 2014
	$	$
Statement of financial position		
Total assets	**31,715**	30,903
Total liabilities	**56**	60

	For the three months ended		**For the nine months ended**	
	September 26, 2015	September 27, 2014	**September 26, 2015**	September 27, 2014
	$	$	**$**	$
Statement of earnings				
Revenue	**475**	588	**1,871**	1,843
Share of profit of an equity accounted investment	**137**	1,655	**1,809**	4,718
Profit for the period	**393**	2,016	**2,886**	5,826

Other Items in the Consolidated Statements of Financial Position

Financial Position as at *(in millions of dollars)*	**September 26, 2015** **$**	December 31, 2014 $	**Var.** **$**	**Var.** **%**	Explanation of Variation
Trade and other receivables	**95.6**	67.1	**28.5**	**42.6**	The variation is explained by a greater level of activity in comparison with the fourth quarter of 2014, reflecting the seasonality of the business. It is also explained by a claim receivable of $10.2 million from the insurance related to the fire in Brunswick (GA)
Work in progress	**14.2**	1.0	**13.2**	**1,284.7**	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 third quarter of 2015.
Prepaid expense	**6.8**	3.1	**3.7**	**119.4**	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. The remaining balance as at September 26, 2015, amounts to $8.4 million, of which $3.3 million has been classified as a prepaid expense.
Other non-current assets	**6.7**	1.7	**5.0**	**291.7**	
Property, plant and equipment	**106,3**	99.7	**6.7**	**6.7**	The increase stems from acquisitions totalling $20.1 million, which exceed the depreciation expense of $7.6 million and the $9.7 million write-off of equipment in Brunswick (GA) related to a fire. Please refer to note 9 of the notes for more detailed information.
Trade and other payables	**57.3**	40.5	**16.9**	**41.8**	The increase mainly reflects the higher level of activity in the third quarter of 2015 in comparison with the fourth quarter of 2014. It also reflects the reclassification of $4.4 million to short-term payables of the cumulative charge for the Company's long-term incentive plans.
Current portion of long-term debt	**2.1**	1.3	**0.9**	**69.0**	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, less $3.0 million in discretionary and regular repayments in the first nine months of 2015.
Long-term debt	**30.6**	28.0	**2.6**	**9.4**	

All other items included in the condensed consolidated interim statements of financial position varied according to normal business parameters in the third 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 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 Q3 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 Q3 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 third quarter of 2015 that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

Outlook

The momentum reported at the beginning of 2015 is holding for the fiscal year as a whole. While bulk and break-bulk activities are at levels similar to last year, we see a slight increase in container volumes overall.

Operations at our new container terminal in Montréal (QC) are slowly improving. If volumes continue to grow as expected, the extensive deployment of handling equipment, combined with the full use of the terminal, will establish our joint venture, Termont Montréal Inc., as the leader in container handling in Montréal (QC).

With regards to the fire that occurred last July at our Brunswick (GA) facility, the clean-up is now basically completed and rebuilding has begun. Operations at the site have resumed in spite of the incident and although expenses are up due to additional handling costs, we continue to provide customers with terminal and cargo handling services.

The highlight of 2015 was the outstanding performance of our environmental services segment, as Sanexen is delivering its best performance ever. Revenue has already reached $100 million and the segment's current order backlog will enable it to bring the year to a strong close. All businesses, particularly site remediation, rehabilitation of underground water mains and woven-hose manufacturing, are doing extremely well.

Finally, as always, we have many projects under review and our goal is to ensure the continuous and structural growth of the Company.

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

November 5, 2015

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

Condensed Consolidated Interim Statements of Earnings

	Notes	For the three months ended September 26, 2015 $	September 27, 2014 $	For the nine months ended September 26, 2015 $	September 27, 2014 $
Revenue		**115,933**	93,908	**265,567**	235,340
Employee benefits expense		**(56,452)**	(44,782)	**(130,491)**	(110,445)
Equipment and supplies expense		**(31,203)**	(23,130)	**(68,450)**	(60,607)
Rental expense		**(7,210)**	(6,958)	**(21,276)**	(19,895)
Other expenses		**(3,799)**	(2,301)	**(10,707)**	(8,627)
Depreciation and amortization expense		**(3,128)**	(2,591)	**(8,720)**	(7,512)
Share of profit of equity accounted investments		**1,758**	2,907	**2,555**	4,050
Other gains and losses	9	**3,712**	612	**4,654**	2,065
Operating profit		**19,611**	17,665	**33,132**	34,369
Finance expense		**(245)**	(229)	**(710)**	(451)
Finance income		**359**	92	**481**	301
Profit before income taxes		**19,725**	17,528	**32,903**	34,219
Income taxes		**(5,090)**	(3,993)	**(8,513)**	(8,147)
Profit for the period		**14,635**	13,535	**24,390**	26,072
Profit attributable to:					
Owners of the Company		**12,102**	11,959	**21,288**	23,750
Non-controlling interests		**2,533**	1,576	**3,102**	2,322
Profit for the period		**14,635**	13,535	**24,390**	26,072
Basic and diluted earnings per Class A Common Share (1)		**0.94**	0.91	**1.64**	1.81
Basic and diluted earnings per Class B Subordinate Voting Share (2)		**1.03**	1.00	**1.81**	1.98
Weighted average number of Class A shares outstanding, basic and diluted		**7,443,589**	7,462,922	**7,449,178**	7,465,944
Weighted average number of Class B shares outstanding, basic and diluted		**4,998,300**	5,111,433	**5,024,856**	5,176,100

(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 nine months ended	
	September 26, 2015	September 27, 2014	**September 26, 2015**	September 27, 2014
	$	$	**$**	$
Profit for the period	**14,635**	13,535	**24,390**	26,072
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	**2,789**	1,484	**4,810**	1,519
Gains (losses) on derivatives designated as cash flow hedges	**(99)**	–	**(217)**	(1)
Transfer of losses on derivatives designated as cash flow hedges to the consolidated statements of earnings	**21**	1	**50**	3
Income taxes relating to derivatives designated as cash flow hedges	**15**	–	**39**	–
Total items that are or may be reclassified to the consolidated statements of earnings	**2,726**	1,485	**4,682**	1,521
Items that will not be reclassified to the consolidated statements of earnings				
Remeasurement gains (losses) on benefit obligation	**969**	–	**978**	(1,588)
Return on retirement plan assets excluding amounts included in profit for the period	**(787)**	(54)	**(524)**	735
Income taxes on remeasurement gains (losses) on benefit obligation and return on retirement plan assets excluding amounts included in profit for the period	**(48)**	14	**(122)**	229
Share of other comprehensive income of equity accounted investments, net of income taxes	–	4	**8**	45
Total items that will not be reclassified to the consolidated statements of earnings	**134**	(36)	**340**	(579)
Other comprehensive income (loss) for the period, net of income taxes	**2,860**	1,449	**5,022**	942
Total comprehensive income for the period	**17,495**	14,984	**29,412**	27,014
Total comprehensive income attributable to:				
Owners of the Company	**14,962**	13,408	**26,310**	24,692
Non-controlling interests	**2,533**	1,576	**3,102**	2,322
Total comprehensive income for the period	**17,495**	14,984	**29,412**	27,014

(in thousands of Canadian dollars)

Condensed Consolidated Interim Statements of Financial Position

	Notes	As at September 26, 2015 $	As at December 31, 2014 $
Assets			
Current assets			
Cash and cash equivalents		**13,307**	26,381
Investment in a service contract		**274**	1,366
Trade and other receivables	9	**95,582**	67,052
Work in progress		**14,221**	1,027
Current income tax assets		**1,490**	2,638
Prepaid expenses		**6,815**	3,106
Inventories		**5,266**	4,585
		136,955	106,155
Equity accounted investments		**27,300**	27,123
Investment in a service contract		**903**	–
Property, plant and equipment	9	**106,319**	99,663
Goodwill		**22,362**	21,407
Other intangible assets		**19,858**	18,286
Other non-current assets		**6,675**	1,704
Post-employment benefit assets		**560**	768
Non-current financial assets		**4,744**	3,432
Deferred income tax assets		**8,401**	8,449
Total assets		**334,077**	286,987
Liabilities			
Current liabilities			
Short-term bank loans		**3,874**	–
Trade and other payables		**57,370**	40,452
Deferred revenue		**2,985**	2,475
Current income tax liabilities		**1,727**	1,159
Dividends payable		**970**	815
Current portion of long-term debt		**2,131**	1,261
Provisions		**1,020**	1,001
		70,077	47,163
Long-term debt		**30,642**	28,007
Provisions		**766**	644
Deferred income tax liabilities		**10,208**	9,380
Post-employment benefit obligations		**11,792**	12,453
Deferred revenue		**4,633**	4,933
Non-current financial liabilities		**3,468**	4,983
Total liabilities		**131,586**	107,563
Equity			
Share capital	5	**15,039**	14,906
Retained earnings		**159,085**	144,513
Accumulated other comprehensive income		**8,764**	4,082
Equity attributable to owners of the Company		**182,888**	163,501
Non-controlling interests		**19,603**	15,923
Total equity		**202,491**	179,424
Total liabilities and equity		**334,077**	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		–	–	–	21,288	21,288	3,102	24,390
Other comprehensive income (loss)								
Currency translation differences arising on translation of foreign operations		–	–	4,810	–	4,810	–	4,810
Remeasurement losses on benefit obligation and return on retirement plan assets excluding amounts included in profit for the period, net of income taxes		–	–	–	332	332	–	332
Cash flow hedges, net of income taxes		–	(96)	–	–	(96)	–	(96)
Share of other comprehensive income of equity accounted investments, net of income taxes		–	(32)	–	8	(24)	–	(24)
Total comprehensive income (loss) for the period		–	(128)	4,810	21,628	26,310	3,102	29,412
Repurchase of Class A shares	5	(14)	–	–	(770)	(784)	–	(784)
Issuance and repurchase of Class B shares	5	147	–	–	(3,693)	(3,546)	–	(3,546)
Investment received from non-controlling interests		–	–	–	–	–	578	578
Dividends on Class A shares	5	–	–	–	(1,490)	(1,490)	–	(1,490)
Dividends on Class B shares	5	–	–	–	(1,103)	(1,103)	–	(1,103)
Balance as at September 26, 2015		**15,039**	**(184)**	**8,948**	**159,085**	**182,888**	**19,603**	**202,491**

(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 $	Cash flow hedges $	Foreign currency translation $	Retained earnings $	Total $	Non-controlling interests $	Total equity $
Balance as at January 1, 2014		**15,030**	**(33)**	**1,342**	**135,552**	**151,891**	**11,791**	**163,682**
Profit for the period		–	–	–	23,750	23,750	2,322	26,072
Other comprehensive income (loss)								
Currency translation differences arising on translation of foreign operations		–	–	1,519	–	1,519	–	1,519
Remeasurement losses on benefit obligation and return on retirement plan assets excluding amounts included in profit for the period, net of income taxes		–	–	–	(624)	(624)	–	(624)
Share of other comprehensive income of equity accounted investments, net of income taxes		–	2	–	45	47	–	47
Total comprehensive income for the period		–	2	1,519	23,171	24,692	2,322	27,014
Repurchase of Class A shares	5	(7)	–	–	(363)	(370)	–	(370)
Issuance and repurchase of Class B shares	5	(67)	–	–	(6,649)	(6,716)	–	(6,716)
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	–	–	–	(6,848)	(6,848)	–	(6,848)
Dividends on Class B shares	5	–	–	–	(5,203)	(5,203)	–	(5,203)
Balance as at September 27, 2014		**14,956**	**(31)**	**2,861**	**139,493**	**157,279**	**14,765**	**172,044**

(in thousands of Canadian dollars)

Condensed Consolidated Interim Statements of Cash Flows

	Notes	For the nine months ended September 26, 2015 $	September 27, 2014 $
Operating activities			
Profit for the period		**24,390**	26,072
Impairment loss related to assets destroyed	9	**9,729**	–
Gain on insurance recovery of assets	9	**(9,729)**	–
Other items not affecting cash and cash equivalents		**20,630**	18,268
Cash generated from operations		**45,020**	44,340
Dividends received from equity accounted investments		**2,361**	2,646
Contributions to defined benefit retirement plans		**(940)**	(1,271)
Settlement of provisions		**(117)**	(45)
Changes in non-cash working capital items		**(22,554)**	(6,480)
Income taxes paid		**(6,500)**	(12,039)
		17,270	27,151
Financing activities			
Net change in short-term bank loans		**3,874**	(2,087)
Issuance of long-term debt, net of transaction cost		**10,642**	32,000
Repayment of long-term debt		**(7,146)**	(5,596)
Interest paid		**(663)**	(433)
Repurchase of Class A shares	5	**(784)**	(370)
Issuance of Class B shares	5	**113**	146
Repurchase of Class B shares	5	**(3,873)**	(7,097)
Repurchase of share capital by a subsidiary		**–**	(991)
Dividends paid on Class A shares		**(1,398)**	(6,773)
Dividends paid on Class B shares		**(1,040)**	(5,158)
		(275)	3,641
Investing activities			
Customer repayment of an investment in a service contract		**189**	172
Interest received		**247**	416
Cash acquired in a business acquisition		–	1,622
Business acquisition		–	(5,752)
Cash received from a non-controlling interest		**578**	–
Acquisition of property, plant and equipment		**(20,133)**	(30,651)
Proceeds from disposal of property, plant and equipment		**336**	863
Acquisition of intangible assets		**(46)**	(175)
Repayment of non-current financial assets		**–**	3,288
Proceeds from disposal of other non-current assets		**–**	6
Acquisition of other non-current assets		**(10,287)**	(274)
		(29,116)	(30,485)
Net change in cash and cash equivalents		**(12,121)**	307
Cash and cash equivalents, beginning of period		**26,381**	19,638
Effect of exchange rate on balances held in foreign currencies of foreign operations		**(953)**	(146)
Cash and cash equivalents, end of period		**13,307**	19,799
Additional information			
Acquisition of property, plant and equipment included in trade and other payables		**4,070**	1,498

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 29 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 November 5, 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 September 26, 2015, the ratio is 15.2% based on debt of $32,773 divided by a capitalization of $215,661 (15.2% as at December 31, 2014, based on $29,268/$192,769), within the Company's objective of less than 40%.

As at September 26, 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 nine months ended September 26, 2015, the 20 largest customers account for 48.8% (49.1% in 2014) of consolidated revenue and not a single customer accounts for more than 10% of consolidated revenue and trade receivables.

5. Share Capital

Since the beginning of the year, pursuant to the Company's normal course issuer bid, 15,400 (11,200 in 2014) Class A shares and 92,100 (234,200 in 2014) Class B shares were repurchased and cancelled for cash consideration of $784 ($370 in 2014) and $3,873 ($7,097 in 2014), respectively. Of this amount, the excess over stated capital of the repurchased shares of $770 ($363 in 2014) and $3,693 ($6,649 in 2014), respectively, was charged to retained earnings.

The issued and outstanding shares were as follows:

	As at September 26, 2015	As at December 31, 2014
	$	$
7,440,522 Class A shares (7,460,322 as at December 31, 2014)	**4,917**	4,931
4,989,100 Class B shares (5,069,600 as at December 31, 2014)	**10,122**	9,975
	15,039	14,906

As at September 26, 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 $265 ($218 as at December 31, 2014). The outstanding balance of these non-interest bearing loans granted to key management personnel of the Company amounted to $72 ($79 as at December 31, 2014). There remains an unallocated balance of 280,600 Class B shares reserved for issuance pursuant to this ESPP.

Since the beginning of the year, 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)

During the third quarter ended September 26, 2015, there were 3,600 Class A shares converted into Class B shares (zero in 2014).

Dividends

Details of dividends declared per share are as follows:

	For the nine months ended	
	September 26, 2015 $	September 27, 2014 $
Class A shares	**0.20**	0.92
Class B shares	**0.22**	1.01

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 nine months ended	
	September 26, 2015 $	September 27, 2014 $	**September 26, 2015 $**	September 27, 2014 $
Sale of services	**773**	860	**2,355**	1,206
Purchase of services	**128**	128	**404**	361

	As at September 26, 2015 $	As at December 31, 2014 $
Amounts owed to joint ventures	**118**	582
Amounts owed from joint ventures	**2,127**	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 September 26, 2015 $	As at December 31, 2014 $
Key management personnel	**72**	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 nine months ended	
	September 26, 2015	September 27, 2014
	$	$
Dividends paid to Sumanic Investments Inc.	**1,089**	5,293
Dividends paid to certain members of key management personnel	**135**	867

Dividends Received from Related Parties

During the three-month period ended September 26, 2015, the Company received dividends of $900 ($775 in 2014) from its joint ventures, for a total of $2,361 ($2,646 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 nine-month period ended September 26, 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 $2,354 ($2,671 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 nine months ended	
	September 26, 2015	September 27, 2014	**September 26, 2015**	September 27, 2014
	$	$	**$**	$
Short-term benefits	**1,352**	1,341	**4,862**	4,289
Post-employment benefits	**83**	193	**364**	440
Other long-term benefits	**874**	389	**2,860**	1,167
	2,309	1,923	**8,086**	5,896

[(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 September 26, 2015	**50,506**	**65,427**	**115,933**
Revenue	**7,946**	**11,779**	**19,725**
Profit before income taxes			
For the nine months ended September 26, 2015			
Revenue	**152,006**	**113,561**	**265,567**
Profit before income taxes	**18,012**	**14,891**	**32,903**
As at September 26, 2015			
Total assets	**214,868**	**119,209**	**334,077**
Total liabilities	**71,904**	**59,682**	**131,586**
For the three months ended September 27, 2014			
Revenue	48,723	45,185	93,908
Profit before income taxes	10,048	7,480	17,528
For the nine months ended September 27, 2014			
Revenue	143,524	91,816	235,340
Profit before income taxes	23,166	11,053	34,219
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.

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

9. Fire Incident in the Reporting Period

On July 11, 2015, a fire destroyed two leased warehouses, a conveyor system and certain other assets at the Company's bulk facility in Brunswick (GA). Pursuant to the lease agreement with the Georgia Ports Authority, the Company is required to rebuild the affected warehouses.

The financial statements as at and for the period ended September 26, 2015, reflect the impact of the fire as follows:

	As at September 26, 2015 $
Statement of Financial Position	
Claim receivable from insurance	10, 245
Property, plant and equipment (reduction)	(9,729)
Statement of Earnings	
Included in "Other gains and losses"	
Impairment loss related to assets destroyed	9,729
Site remediation costs	2,913
Gain on insurance recovery of assets and others	(12,642)
Impact on profit before income taxes	0

The proceeds from the insurance coverage will be sufficient to cover the replacement cost of the assets destroyed, as well as other costs incurred as a direct result of the fire. This reflects management's best estimates based on the information available as at the date of these condensed consolidated interim financial statements and are subject to change as new developments occur in the future in connection with the Company's reconstruction of the bulk facilities. To date, the Company has not begun reconstruction of the warehouses, however some equipment asset replacement is under way. We are able to operate with limited warehouse capacity.

During the third quarter ended September 26, 2015, the Company received $2,397 from its insurance carriers as a preliminary partial advance on this claim.

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