

30 August 2016

Dear Shareholder

The Company has today released its results for the 2015/16 financial year.

Profit before tax for the year was \$22,096,141, including \$18.9 million profit on the sale of property and \$2.5 million impairment of operating and investing properties. The underlying profit before tax for the year was \$5,672,964 down 34.4% on the previous year. Revenue from operations was up 21.5% to \$150,640,994. Earnings per share was 30.2 cents up from 9.21 cents.

The underlying results for the period were impacted by a combination of:

- continued downturn in business activity and increased pressure on margins, particularly in Western Australia
- impairment of \$2.5 million relating to investment and operating properties to reflect market conditions in Western Australia
- costs associated with the implementation of a new distribution model and warehouse management system in the second and third quarters for the group's largest warehousing client
- costs incurred in relocating the NSW operations to the new Gregory Hills warehouse including costs of onboarding three new third party logistics (3PL) clients
- sale and leaseback of a long term property holding at Bibra Lake
- the acceptance of an offer to sell two non-core properties, crystallising prior period capital losses to offset capital gains
- proceeds from property sales used to fund the GMK Logistics acquisition and debt repayment, resulting in a significant reduction in gearing to more normal levels
- completion of the expansion of the Hazelmere warehouse facility and doubling of warehouse capacity at the site to 26,500 sqm
- implementation in the fourth quarter of sustainable cost-saving and productivity initiatives to adjust to the lower levels of activity in Western Australia

The board, having given due consideration to the uncertain business environment in WA and the need to have balance sheet capacity to take advantage of smaller synergistic opportunities which are opening up, has not declared a final dividend. This results in a dividend of 4c per share for the financial year ending 30 June 2016. CTI has historically paid dividends to its shareholders twice a year and expects to resume paying dividends in respect of the 2016/17 financial year, subject to continued improvements in financial performance.

The Company has entered into a contract to purchase a small Western Australian regional transport business, with settlement expected 1 September 2016. The client base and revenue stream will be rolled into our existing regional freight network, and the purchase is expected to be earnings per share accretive from day one.

Finally, the financial results are available on our website [www.ctilogistics.com](http://www.ctilogistics.com). The Annual Report to shareholders including the Company's Corporate Governance Statement, Chairman's Report and Shareholder Information, will also be available on our website shortly. Printed copies will be mailed to those shareholders who requested them.

Yours faithfully



David Watson  
EXECUTIVE CHAIRMAN