

25 February 2016

Dear Shareholder

The Company has today released its results for the six months to 31 December 2015.

Profit before tax for the period was \$23,954,662, including the profit on sale of the long held Bibra Lake warehousing and distribution property of \$18,923,177. The profit before tax excluding the profit on sale of the property was \$5,031,485, down 16.2% on the previous corresponding period. Revenue from operations was up 21.2%, to \$79,023,416.

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

- \* the severe downturn in business activity in the Western Australian economy.
- \* weaker than expected throughput in demand from our warehousing client base in late November and December.
- \* significant unexpected costs associated with the implementation of a new distribution model and warehousing management system for our largest client in December that has carried through into the current period.
- \* building and other costs associated with the partial completion of 13,500 square metres of additional warehouse space at Hazelmere.
- \* the continued decline in volumes across the courier and general freight markets, along with price and margin pressure.

On the plus side

- \* the positive contribution from the mid-2015 acquisition of GMK Logistics.
- \* initial expansion into the South Australian market with existing customers.

While the immediate outlook in Western Australia remains poor and could deteriorate further, the Company continues to plan to grow both organically and by acquisition. We have recently been successful in gaining further warehousing and distribution contracts in the tyre industry, and on the acquisition front we are looking at building on our GMK-related national footprint.

The directors have maintained the dividend by declaring an interim dividend of 4.0 cents per share fully franked, payable on 15 April 2016. As a result of the recent transition by ASX to a T+2 settlement cycle, the rules of our Dividend Re-investment Plan and Bonus Share Plan have been varied to amend the last date for the receipt of DRP/BSB election notices from two to three business days after the Record Date. The DRP/BSB participation status of shareholders will not be affected by the amendment.

Finally, if and where possible we would like to communicate with you electronically instead of by post, to give you secure and faster access to shareholder and Company information. Shareholder communications available online include the Annual Report, Voting and Proxy Forms, Notices of Meetings, Issuer Sponsored Holding Statements, Dividend Payment Advices and other Company related information. In order to receive all future shareholder communications via email rather than by post, please send us an email to [shareholder@ctilogistics.com](mailto:shareholder@ctilogistics.com), containing

- \* the email address to which you would like communications directed, and
- \* the associated name and address as on the sticker at the foot of this letter.

If you do not wish to receive shareholder communications electronically, or if you do not have access to email, you do not need to take any action.

Yours faithfully



David Watson  
EXECUTIVE CHAIRMAN