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February 15, 2016

Dear Shareholder:

We have completed the fourth quarter ending December 31, 2015.

Net income for the quarter and YTD vs. the prior year is shown below:

	Q-4, 2015	Q-4, 2014	YTD, 2015	YTD, 2014
Income/(Loss) before Non-recurring items	(\$87,000)	(\$116,000)	(\$23,000)	\$183,000
Write down of investment In Choice Therapeutics	-0-	(\$827,000)	-0-	(\$827,000)
Write down of investment In CHTL Logistics, LLC	-0-	(\$1,421,000)	-0-	(\$1,421,000)
Net income	(\$87,000)	(\$2,364,000)	(\$23,000)	(\$2,064,000)

Our Textile Division sales increased 13.1% during 2015 with a corresponding increase in profitability. Our textile associates continue to do a great job of finding markets for the specialty yarns we provide to the marketplace.

Our investment in Transportation Insight (TI) continues to perform to our expectations. TI acquired Birddog Solutions, Inc. in late June and PMC Services, LLC in early November. Both acquisitions and organic growth are cornerstones of the growth plan for TI over the next four to five years.

Carolina Mills does have its challenges, including the remaining costs that were left behind from the time when we were a much larger company. With that said, I believe we are as well-positioned as possible with the resources we possess. Your management team will continue to strive to build shareholder value in the coming years. Thank you for your support. I look forward to seeing those of you that can attend our annual shareholders' meeting on February 24, 2016.

Bryan E. Beal  
 President and CEO