AECON GROUP INC. | THIRD QUARTER REPORT 2015

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AECON

Dear Fellow Shareholders,

Aecon's results for the third quarter of 2015 represent progress on revenue and margin performance, and record backlog of $3.4 billion as at September 30, 2015.

Revenue of $875 million for the third quarter of 2015 represented growth of 4 per cent from the same period last year, or 7 per cent on a like for like basis excluding the period-over-period impact of the sale of IST in April 2015. For the first nine months revenue grew 8 per cent, or 10 per cent on a like for like basis, with growth in all three main operating segments.

In the Infrastructure segment, increased investment to address both the significant infrastructure deficit in Canada and slower economic growth is expected to be a key area of focus by the newly elected Liberal federal government, as well as provincial and municipal governments, over the next few years. Aecon is recognized for its expertise and capability to deliver large, complex, multi-disciplinary infrastructure projects and expects to continue to achieve success in these pursuits.

In the Energy segment, notwithstanding lower oil prices, Aecon continues to bid and win work in the oil and gas sector. In the near term, there are emerging opportunities for large diameter pipeline work, but lower overall awards in commodity related markets are expected due to lower industry activity. Fabrication and modular assembly services are expected to remain solid through the first half of 2016. In addition, it is expected there will be increased demand for utilities work, power and nuclear refurbishment in 2016, as projects in these areas ramp up.

In Mining, new development projects linked to a variety of different commodities continue to move forward with engineering and feasibility work. While contract mining operations in the oil sands are subject to some volume uncertainty due to reduced spending in the current environment, our current backlog and an increase in non-oil related work is expected to sustain our mining fleet in 2016, complemented by strong expected performance from site installation operations.

The Concessions segment continues to partner with Aecon's other segments to focus on the significant number of Public Private Partnership opportunities, and is actively pursuing a number of large-scale infrastructure projects that require private finance solutions. The Eglinton Crosstown LRT project award is further validation of the strength of our Concessions business and its successful integration with Aecon's operating segments.

For the ninth consecutive year, Aecon has been recognized as a 50 Best Employer in Canada through the Aon national survey published by Canadian Business magazine, and is pleased to have received the top ranking of platinum for being in the top 25 percentile of companies surveyed.

Overall, Aecon's strategic diversification remains a key strength, providing stability to our business. The outlook for the remainder of 2015 and into 2016 is positive due to Aecon's strong backlog position, recurring revenue agreements and solid margin profile in each of our operating segments. Aecon continues to bid on opportunities with the overarching goal of steady and continuing EBITDA margin improvement.

Thank you for your continued support.

Yours truly,

(Signed) John M. Beck	(Signed) Teri McKibbon
Executive Chairman	President and Chief Executive Officer

November 11, 2015

Aecon Group Inc.

Management's Discussion and Analysis of Operating Results and Financial Condition

September 30, 2015

Management's Discussion And Analysis Of Operating Results And Financial Condition ("MD&A")

The following discussion and analysis of the consolidated results of operations and financial condition of Aecon Group Inc. ("Aecon" or the "Company") should be read in conjunction with the Company's September 30, 2015 interim condensed consolidated financial statements and notes, which have not been reviewed by the Company's external auditor, and in conjunction with the Company's annual MD&A for the year ended December 31, 2014. This MD&A has been prepared as of November 11, 2015. Additional information regarding Aecon is available through the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and includes the Company's Annual Information Form and other securities and continuous disclosure filings.

Introduction

Aecon operates in four principal segments within the construction and infrastructure development industry: Infrastructure, Energy, Mining and Concessions.

The construction industry in Canada is seasonal in nature for companies like Aecon who perform a significant portion of their work outdoors, particularly road construction and utilities work. As a result, less work is performed in the winter and early spring months than in the summer and fall months. Accordingly, Aecon has historically experienced a seasonal pattern in its operating results, with the first half of the year, and particularly the first quarter, typically generating lower revenue and profit than the second half of the year. Therefore, results in any one quarter are not necessarily indicative of results in any other quarter, or for the year as a whole.

FORWARD-LOOKING INFORMATION

The information in this Management's Discussion and Analysis includes certain forward-looking statements. Although these forward-looking statements are based on currently available competitive, financial and economic data and operating plans, they are subject to risks and uncertainties. In addition to general global events outside Aecon's control, there are factors which could cause actual results, performance or achievements to vary from those expressed or inferred herein including risks associated with an investment in the common shares of Aecon and the risks related to Aecon's business, including Large Project Risk and Contractual Factors. Risk factors are discussed in greater detail in the section on "Risk Factors" included in the Company's Annual Information Form dated March 30, 2015 and available through SEDAR at www.sedar.com. Forward-looking statements include information concerning possible or assumed future results of Aecon's operations and financial position, as well as statements preceded by, followed by, or that include the words "believes," "expects," "anticipates," "estimates," "projects," "intends," "should" or similar expressions. Other important factors, in addition to those discussed in this document, could affect the future results of Aecon and could cause its results to differ materially from those expressed in any forward-looking statements. Aecon assumes no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

FINANCIAL REPORTING STANDARDS

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting."

NON-GAAP AND ADDITIONAL GAAP FINANCIAL MEASURES

The MD&A presents certain non-GAAP and additional GAAP (GAAP refers to Canadian Generally Accepted Accounting Principles) financial measures to assist readers in understanding the Company's performance. These non-GAAP measures do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Management uses these non-GAAP and additional GAAP measures to analyze and evaluate operating performance. Aecon also believes the non-GAAP and additional GAAP financial measures below are commonly used by the investment community for valuation purposes, and are useful complementary measures of profitability, and provide metrics useful in the construction industry. The most directly comparable measures calculated in accordance with GAAP are profit (loss) attributable to shareholders or earnings (loss) per share.

Throughout this MD&A, the following terms are used, which are not found in the Chartered Professional Accountants of Canada Handbook and do not have a standardized meaning under GAAP.

Non-GAAP Financial Measures

Non-GAAP financial measures are measures that either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with GAAP in the consolidated financial statements.

- **"Adjusted EBITDA"** represents operating profit (loss) adjusted to exclude depreciation and amortization, the gain (loss) on sales of assets and investments, restructuring costs, gain (loss) on mark-to-market adjustments related to the Company's long-term incentive plan ("LTIP") program, and net income (loss) from projects accounted for using the equity method, but including "JV EBITDA" from projects accounted for using the equity method.
- **"JV EBITDA"** represents Aecon's proportionate share of the earnings or losses from projects accounted for using the equity method before depreciation and amortization, net financing expense and income taxes.
- **"Adjusted EBITDA margin"** represents Adjusted EBITDA as a percentage of revenue.
- **"Adjusted profit (loss)"** represents the profit (loss) adjusted to exclude the after-tax fair value gain (loss) on the embedded derivative portion of convertible debentures.
- **"Adjusted earnings (loss) per share"** represents earnings (loss) per share calculated using Adjusted profit (loss).
- **"Backlog"** means the total value of work that has not yet been completed that: (a) has a high certainty of being performed as a result of the existence of an executed contract or work order specifying job scope, value and timing; or (b) has been awarded to Aecon, as evidenced by an executed binding letter of intent or

agreement, describing the general job scope, value and timing of such work, and where the finalization of a formal contract respecting such work is reasonably assured.

Additional GAAP Financial Measures

Additional GAAP financial measures are presented on the face of the Company's consolidated statements of income and are not meant to be a substitute for other subtotals or totals presented in accordance with International Financial Reporting Standards ("IFRS"), but rather should be evaluated in conjunction with such IFRS measures.

- **"Gross profit"** represents revenue less direct costs and expenses. Not included in the calculation of gross profit are marketing, general and administrative expenses ("MG&A"), depreciation and amortization, income or losses from construction projects accounted for using the equity method, foreign exchange, interest, gains or losses on the sale of assets, income taxes, and non-controlling interests.
- **"Gross profit margin"** represents Gross profit as a percentage of revenue.
- **"Operating profit (loss)"** represents the profit (loss) from operations, before net financing expense, income taxes and non-controlling interests.
- **"Operating margin"** represents Operating profit (loss) as a percentage of revenue.

BUSINESS STRATEGY

The reader is referred to the discussion on Business Strategy as outlined in the MD&A in the 2014 Annual Report available on the Company's website at www.aecon.com or through SEDAR at www.sedar.com.

CONSOLIDATED FINANCIAL HIGHLIGHTS

$ millions (except per share amounts)	Three months ended September 30		Nine months ended September 30	
	2015	2014 [1]	2015	2014 [1]
Revenue	**$ 874.9**	**$ 840.4**	**$ 2,043.8**	**$ 1,891.8**
Gross profit	108.1	96.2	202.9	173.1
Marketing, general and administrative expenses	(37.8)	(34.3)	(125.1)	(122.5)
Income from projects accounted for using the equity method	3.9	8.2	19.1	22.1
Foreign exchange gain (loss)	(0.6)	(0.2)	(0.8)	0.4
Gain (loss) on sale of assets and investments	1.4	(0.3)	1.1	(0.8)
Gain on disposal of a subsidiary	-	-	14.1	-
Restructuring costs	-	-	-	(2.6)
Loss on mark-to-market of LTIP program	(2.2)	(0.6)	(3.4)	(0.6)
Depreciation and amortization	(17.4)	(15.3)	(51.0)	(46.3)
Operating profit	**55.4**	**53.7**	**57.1**	**22.8**
Financing expense, net	(7.6)	(11.1)	(22.3)	(33.6)
Fair value gain on convertible debentures	-	8.7	0.2	9.3
Profit (loss) before income taxes	**47.8**	**51.4**	**35.0**	**(1.5)**
Income tax recovery (expense)	(22.3)	(11.8)	(14.0)	2.9
Profit	**$ 25.6**	**$ 39.5**	**$ 21.0**	**$ 1.4**
Profit	**$ 25.6**	**$ 39.5**	**$ 21.0**	**$ 1.4**
Exclude:				
Fair value gain on convertible debentures	-	**(8.7)**	**(0.2)**	**(9.3)**
Income tax on fair value gain/loss	**-**	**2.3**	**-**	**2.5**
Adjusted profit (loss)	**$ 25.6**	**$ 33.1**	**$ 20.8**	**$ (5.4)**
Gross profit margin	**12.4%**	**11.4%**	**9.9%**	**9.2%**
MG&A as a percent of revenue	**4.3%**	**4.1%**	**6.1%**	**6.5%**
Adjusted EBITDA	**76.1**	**77.3**	**112.5**	**94.3**
Adjusted EBITDA margin	**8.7%**	**9.2%**	**5.5%**	**5.0%**
Operating margin	**6.3%**	**6.4%**	**2.8%**	**1.2%**
Earnings per share - basic	**$ 0.45**	**$ 0.73**	**$ 0.37**	**$ 0.03**
Earnings per share - diluted	**$ 0.35**	**$ 0.49**	**$ 0.35**	**$ 0.03**
Adjusted earnings (loss) per share - basic	**$ 0.45**	**$ 0.61**	**$ 0.37**	**$ (0.10)**
Adjusted earnings (loss) per share - diluted	**$ 0.35**	**$ 0.49**	**$ 0.35**	**$ (0.10)**
Backlog			**$ 3,394**	**$ 2,667**

(1) Certain comparative amounts for 2014 have been reclassified to conform to the presentation adopted in the current year. For more information, refer to Note 29 of the September 30, 2015 interim condensed consolidated financial statements.

Revenue for the three and nine months ended September 30, 2015 was higher by $35 million and $152 million, respectively, compared to the same periods in 2014. In the Mining segment, revenue was higher by $65 million and $136 million, respectively, for the three and nine months, with the largest increase due to higher volume of site installation work in the commodity mining sector. A decrease in revenue in the Infrastructure segment of

$11 million for the three months ended September 30, 2015, occurred primarily in transportation ($27 million) and social infrastructure operations ($6 million) and was partly offset by an increase in heavy civil ($22 million). Higher revenue in the Infrastructure segment of $32 million for the nine months ended September 30, 2015 occurred primarily in heavy civil ($46 million) and transportation operations ($6 million), offset to some extent by lower revenue from social infrastructure operations ($20 million). In the Energy segment, revenue was lower by $28 million and $21 million, respectively, for the three and nine months, with increases in industrial operations ($39 million and $171 million, respectively) offset by lower revenue in utilities operations ($67 million and $192 million, respectively) mainly due to lower volume from pipeline projects in Western Canada. The Energy segment was also impacted by lower revenue as Innovative Steam Technologies ("IST") was sold on April 10, 2015.

Operating profit of $55.4 million for the three months ended September 30, 2015 improved by $1.7 million compared to an operating profit of $53.7 million in the same period in 2014, while operating profit for the nine months ended September 30, 2015 of $57.1 million improved by $34.3 million when compared to an operating profit of $22.8 million in the same period last year.

Contributing to the increase in operating profit during the third quarter of 2015 was an increase in gross profit of $11.8 million when compared to the same period in 2014. The largest increase in gross profit occurred in the Mining segment ($10.1 million) due primarily to higher volume in the commodity mining sector and higher gross profit margin in contract mining operations. Gross profit also increased in the Infrastructure segment ($6.1 million) mainly from higher gross profit margin in transportation and social infrastructure operations and from higher volume in heavy civil. Partially offsetting the higher gross profit in the Mining and Infrastructure segments was lower gross profit in the Energy segment ($5.0 million) due primarily to lower volume in utilities operations as well as lower gross profit in industrial operations because of the sale of IST in April 2015.

For the nine months ended September 30, 2015, an increase in gross profit of $29.8 million contributed to the increase in operating profit of $34.2 million. Consistent with quarter-over-quarter results, increases in gross profit from the Mining ($33.7 million) and Infrastructure segments ($17.3 million) were partially offset with lower gross profit from the Energy segment ($21.3 million). Gross profit in the Mining segment increased for the same reasons cited above in the quarterly analysis. Higher gross profit in Infrastructure was due to higher volume and gross profit margin in transportation operations, higher volume in heavy civil operations and higher gross profit margin on mechanical work in social infrastructure operations. In the Energy segment, lower gross profit was due to lower volume in utilities operations and the impact of the sale of IST.

Marketing, general and administrative expenses ("MG&A") increased by $3.5 million in the third quarter of 2015 compared to the third quarter of 2014 and MG&A as a percentage of revenue increased to 4.3% from 4.1%. In the first nine months of 2015, MG&A increased by $2.6 million compared to the same period in 2014 and MG&A as a percentage of revenue decreased to 6.1% from 6.5%. The quarter-over-quarter increase in MG&A was driven primarily by higher personnel and incentive costs across each of the segments. For the year-to-date period, the increase in MG&A was primarily the result of higher bid costs associated with increased bid activity mostly in the Infrastructure segment. Lower MG&A as a percentage of revenue in the nine-month period ended September 30, 2015 reflects higher revenue in 2015 compared to the same period in 2014.

Aecon's participation in projects which are classified for accounting purposes as a joint venture or an associate, as opposed to a joint operation, are accounted for using the equity method of accounting. In the third quarter of 2015, Aecon reported a profit of $3.9 million from projects accounted for using this method of accounting, a

decrease of $4.2 million as compared to the third quarter of 2014. Increases from projects within the Infrastructure segment ($2.1 million) were offset by a decrease in the Concessions segment ($6.2 million) from lower reported income from the Quito airport concession operations. Income was lower in Concessions as a result of Aecon entering into an agreement on June 8, 2015 to sell its 45.5% share in the Quito airport concession operations. As Aecon's investment in Quiport is expected to be recovered through this sale transaction, the Company is presenting, on a prospective basis, this investment as "held for sale" on its interim consolidated balance sheet. Therefore, equity accounting ceased from the point the joint venture was classified as "held for sale" (June 8, 2015). For the nine months ended September 30, 2015, income from equity accounted projects of $19.1 million decreased by $2.9 million as compared to the same period in the prior year primarily from lower income from Quito airport concession operations due to its classification as "held for sale".

For the nine months ended September 30, 2015, Aecon realized a gain on the disposal of a subsidiary of $14.1 million as a result of the sale on April 10, 2015 of its wholly owned subsidiary IST. The gain and the financial results of IST prior to its sale are reported in the Energy segment.

The sale of IST in April 2015 and the classification of Aecon's investment in Quiport as " held for sale" in June 2015 have impacted Aecon's results for the three and nine-month periods ended September 30, 2015 when compared to the same periods in the prior year. A summary of these impacts is included below:

$ millions		**Three months ended September 30**				**Nine months ended September 30**		
		2015	2014	Change		**2015**	2014	Change
Revenue as reported	$	**874.9**	840.4	34.5	$	**2,043.8**	1,891.8	152.0
Exclude:								
IST & Quiport Revenue		-	25.3	(25.3)		8.0	48.5	(40.5)
Revenue excluding IST & Quiport	$	**874.9**	815.1	59.8	$	**2,035.8**	1,843.3	192.5
Adjusted EBITDA as reported	$	**76.1**	77.3	(1.2)	$	**112.5**	94.3	18.2
Exclude:								
IST & Quiport Adjusted EBITDA		-	17.7	(17.7)		24.5	43.2	(18.7)
Adjusted EBITDA excluding IST & Quiport	$	**76.1**	59.6	16.5	$	**88.0**	51.1	36.9
Operating Profit as reported	$	**55.4**	53.7	1.7	$	**57.1**	22.8	34.3
Exclude:								
IST & Quiport Operating Profit		-	10.6	(10.6)		25.0	21.8	(3.2)
Operating Profit excluding IST & Quiport	$	**55.4**	43.1	12.3	$	**32.1**	1.0	31.1
Adjusted EBITDA margin as reported		**8.7%**	9.2%	(0.5)%		**5.5%**	5.0%	0.5%
Adjusted EBITDA margin excluding IST & Quiport		**8.7%**	7.3%	1.4%		**4.3%**	2.8%	1.5%
Operating Profit margin as reported		**6.3%**	6.4%	(0.1)%		**2.8%**	1.2%	1.6%
Operating Profit margin excluding IST & Quiport		**6.3%**	5.3%	1.0%		**1.6%**	0.1%	1.5%

Restructuring costs of $2.6 million for the nine months ended September 30, 2014 were the result of the closure of the buildings business unit in Seattle within the Infrastructure segment.

For the three and nine-month periods ended September 30, 2015, the mark-to market loss related to the long-term incentive plan ("LTIP") that results from remeasuring both the LTIP liability and related total return swaps at fair value at each reporting date was $2.2 million and $3.4 million, respectively compared to $0.6 million in both periods in 2014. For more information, refer to Note 20 of the September 30, 2015 interim condensed consolidated financial statements.

Depreciation and amortization expense of $17.4 million in the third quarter of 2015 was $2.1 million higher than in the third quarter of 2014. For the nine-month period ended September 30, 2015, depreciation and amortization expense of $51.0 million increased by $4.8 million when compared to the same period last year. The increase in both periods occurred largely in contract mining operations within the Mining segment as a result of increased heavy equipment utilization from projects in Alberta, as well as from higher amortization of Corporate intangible assets.

Financing charges, net of interest income, of $7.6 million in the third quarter of 2015 were $3.5 million lower than the same period in 2014, and financing charges, net of interest income, of $22.3 million for the first nine months of 2015 were $11.3 million lower than the same period last year. In both periods the decrease was due primarily to lower interest expense resulting from the repayment of convertible debentures in the third quarter of 2014.

The terms of the Company's convertible debentures that mature in October 2015 include an option for holders to convert prior to the maturity date and allow the Company the option to settle the conversion in cash (or a combination of cash and common shares) unless a holder expressly indicates in the conversion notice that they do not wish to receive cash. The holder's option to convert is treated as a derivative liability, which is measured at fair value at each reporting period, with gains and losses flowing through profit or loss. In the third quarter of 2015, the result of fair valuing the embedded derivative within Aecon's convertible debentures was neither a gain nor a loss compared to a gain of $8.7 million in the same period in 2014, and for the first nine months of 2015, the fair value gain was $0.2 million compared to a gain of $9.3 million in the same period of 2014. For more information, refer to Note 16 of the September 30, 2015 interim condensed consolidated financial statements.

Set out in Note 17 of the September 30, 2015 interim condensed consolidated financial statements is a reconciliation between the expected income tax recovery (expense) for the first nine months of 2015 and 2014 based on statutory income tax rates and the actual income tax recovery (expense) reported for both these periods. Included in the current year tax expense is a $10.4 million non-cash charge related to the modification of the LTIP plan from a cash-settled plan to an equity-settled plan in 2015. As a result of this plan modification, previously recorded deferred income tax assets were reversed as accumulated timing differences to the date of modification and are now treated as a permanent difference for income tax accounting purposes.

Backlog as at September 30, 2015 of $3,394 million compares to backlog of $2,267 million as at September 30, 2014. New contract awards of $1,681 million were booked in the third quarter of 2015 compared to $818 million in the same period of 2014. New contract awards of $2,784 million were booked in the first nine

months of 2015 compared to $2,787 million in the same period of 2014. Further details of backlog for each of the segments are included in the discussion below under Reporting Segments.

Backlog **$ millions**	**As at September 30**			
		2015		2014
Infrastructure	**$**	**2,318**	$	1,436
Energy		**758**		928
Mining		**318**		303
Consolidated	**$**	**3,394**	$	2,667

Backlog duration, representing the expected period during which backlog on hand will be converted into revenue, is included in the table below:

Estimated backlog duration **$ millions**	**As at September 30**					
		2015			2014	
Next 12 months	**$**	**1,730**	**51%**	$	1,617	61%
Next 13 - 24 months		**958**	**28%**		763	29%
Beyond		**706**	**21%**		287	10%
	$	**3,394**	**100%**	$	2,667	100%

Aecon does not report, as backlog, the significant number of contracts and arrangements in hand where the exact amount of work to be performed cannot be reliably quantified or where a minimum number of units at the contract specified price per unit is not guaranteed. Examples include time and material and some cost-plus and unit priced contracts where the extent of services to be provided is undefined or where the number of units cannot be estimated with reasonable certainty. Other examples include the value of construction work managed under construction management advisory contracts, concession agreements, multi-year operating and maintenance service contracts where the value of the work is not specified, supplier of choice arrangements and alliance agreements where the client requests services on an as-needed basis. None of the expected revenue from these types of contracts and arrangements is included in backlog. Therefore, Aecon's effective backlog at any given time is greater than what is reported.

Reported backlog includes the revenue value of backlog that relates to projects that are accounted for using the equity method. The equity method reports a single amount (revenue less expenses) on Aecon's consolidated statement of income, and as a result the revenue component of backlog for these projects is not included in Aecon's reported revenue.

Further details for each of the segments are included in the discussion below under Reporting Segments.

REPORTING SEGMENTS

INFRASTRUCTURE

Financial Highlights

$ millions	Three months ended September 30		Nine months ended September 30	
	2015	2014 (1)	**2015**	2014 (1)
Revenue	**$ 324.6**	$ 335.5	**$ 665.4**	$ 633.0
Gross profit	**$ 40.0**	$ 33.9	**$ 57.8**	$ 40.5
Adjusted EBITDA	**$ 31.8**	$ 26.1	**$ 22.3**	$ 4.5
Operating profit (loss)	**$ 29.0**	$ 21.7	**$ 11.7**	$ (10.5)
Gross profit margin	**12.3%**	10.1%	**8.7%**	6.4%
Adjusted EBITDA margin	**9.8%**	7.8%	**3.4%**	0.7%
Operating margin	**8.9%**	6.5%	**1.8%**	(1.7)%
Backlog			**$ 2,318**	$ 1,436

(1) Certain comparative amounts for 2014 have been reclassified to conform to the presentation adopted in the current year.

In the third quarter of 2015, revenue in the Infrastructure segment of $325 million was $11 million, or 3%, lower than the same period last year. Revenue was higher in heavy civil operations ($22 million) largely due to the ramp up of work from projects in the heavy civil transportation sector in Ontario and in the power sector in Western Canada. However, revenue was lower in transportation operations ($27 million) due to a lower volume of road building construction in Ontario and Western Canada. Revenue was also lower in social infrastructure operations ($6 million) largely due to a lower volume of buildings work in Ontario and Western Canada.

For the nine months ended September 30, 2015, revenue in the Infrastructure segment was $32 million, or 5%, higher than in the same period in 2014. Revenue was higher in heavy civil operations ($46 million) for the same reasons cited above. Revenue was also higher in transportation operations ($6 million) from a higher volume of road building construction in Ontario. These increases were partially offset by lower revenue from social infrastructure operations ($20 million) due to lower volume of buildings work in Ontario and Western Canada, and a lower volume of mechanical work in Western Canada.

In the third quarter of 2015, operating profit in the Infrastructure segment of $29.0 million improved by $7.3 million compared to an operating profit of $21.7 million in the same period in 2014. Operating profit improved in social infrastructure operations due to higher gross profit margin from mechanical work in the water and wastewater treatment sector and from a $1.3 million gain on sale of assets in the buildings business. Operating profit also increased in transportation primarily due to higher gross profit margin from operations in Western Canada. Operating profit decreased in heavy civil operations during the quarter due largely to higher bid costs.

For the nine months ended September 30, 2015, operating profit in the Infrastructure segment of $11.7 million improved by $22.1 million compared to an operating loss of $10.5 million in the same period in 2014. The largest improvement occurred in social infrastructure operations due to higher gross profit margin from mechanical operations, the period-over-period impact of a $2.6 million restructuring cost incurred during the first quarter of 2014 as a result of the closure of the Seattle buildings business unit, the above noted third quarter gain on sale of assets, as well as lower MG&A costs associated with the organizational restructuring that

occurred in the fourth quarter of 2014. Operating profit was also higher in transportation operations, largely due to higher gross profit margin in both Ontario and Western Canada. Operating profit in heavy civil operations was unchanged period-over-period as higher gross profit was offset by higher bid costs.

Infrastructure backlog at September 30, 2015 was $2,318 million, which is $882 million higher than the same time last year. The largest year-over-year increases in backlog occurred in transportation ($514 million) and heavy civil operations ($482 million) due in large part to the award for the Eglinton Crosstown Light Rail Transit ("Eglinton Crosstown LRT") project to a consortium in which Aecon has a 25 per cent interest. Offsetting these increases was lower backlog in social infrastructure ($113 million). New contract awards totalled $1,348 million in the third quarter of 2015 and $1,721 million year-to-date, compared to $286 million and $1,249 million, respectively, in the prior year. The increase in new awards was due mainly to the above noted Eglinton Crosstown LRT award.

As discussed in the Consolidated Financial Highlights section, the Infrastructure segment's effective backlog at any given time is greater than what is reported.

ENERGY

Financial Highlights

$ millions	Three months ended September 30		Nine months ended September 30	
	2015	2014 [1]	**2015**	2014 [1]
Revenue	$ **340.4**	$ 368.6	$ **890.0**	$ 910.9
Gross profit	$ **35.9**	$ 40.9	$ **69.8**	$ 91.1
Adjusted EBITDA	$ **21.4**	$ 27.9	$ **25.5**	$ 49.8
Operating profit	$ **17.7**	$ 24.4	$ **28.6**	$ 39.4
Gross profit margin	**10.5%**	11.0%	**7.8%**	10.0%
Adjusted EBITDA margin	**6.3%**	7.6%	**2.9%**	5.5%
Operating margin	**5.2%**	6.6%	**3.2%**	4.3%
Backlog			$ **758**	$ 928

(1) Certain comparative amounts for 2014 have been reclassified to conform to the presentation adopted in the current year.

On April 10, 2015, Aecon sold its wholly owned subsidiary, Innovative Steam Technologies Inc. ("IST"). Gross cash proceeds of the sale were $35 million, with potential additional proceeds over the following two years contingent on IST achieving certain earn-out conditions based on performance. For the nine months ended September 30, 2015, a gain of $14.1 million was included in operating profit. The financial results of IST are reported in the Energy segment.

Revenue in the third quarter of 2015 of $340 million in the Energy segment was $28 million, or 8%, lower than in the same period in 2014 with higher revenue in industrial operations ($39 million) largely offset by lower revenue in utilities operations ($67 million). In industrial operations, revenue was higher in Western Canada ($32 million) primarily as a result of fabrication and module assembly projects in the resources sector. Industrial revenue also increased in Central Canada ($34 million) mainly from additional work in the power and gas distribution sectors and higher fabrication volume. However, revenue in industrial operations was

negatively impacted by the sale of IST ($25 million) earlier this year. The reduction in revenue from utilities operations was primarily due to lower volume from pipeline projects in Western Canada.

For the nine months ended September 30, 2015, Energy segment revenue of $890 million was $21 million, or 2%, lower compared to revenue of $911 million for the nine months ended September 30, 2014. For the same reasons cited above, higher revenue in industrial for the year-to-date period ($171 million) was more than offset by lower revenue in utilities ($192 million).

In the third quarter of 2015, operating profit of $17.7 million decreased by $6.7 million when compared to the same period last year. The majority of the reduction in operating profit occurred in utilities operations and was primarily volume driven. Operating profit also decreased in industrial operations with the decrease occurring as a result of the sale of IST earlier this year. Excluding the impact of IST, overall operating profit from industrial operations within the Energy segment increased primarily due to higher volume in Central and Western Canada.

For the nine months ended September 30, 2015, operating profit of $28.6 million decreased by $10.8 million when compared to the same period last year. The majority of the decrease in operating profit occurred in utilities operations due to lower pipeline volume in Western Canada and from lower gross profit margin in Ontario due to the impact on productivity of colder than average winter temperatures in the first quarter of 2015. Partially offsetting this decrease was increased operating profit in industrial operations due largely to the gain on sale of IST ($14.1 million) which was offset in part by lower operating profit from IST in the year-to-date period as a result of the sale. Excluding the impact of IST, operating profit in industrial operations within the Energy segment increased mainly from the impact of higher revenue in Western Canada and Ontario which more than offset lower gross profit margin from fabrication work in Atlantic Canada where extreme weather conditions to start the year impacted the timing of work and productivity.

Backlog at September 30, 2015 of $758 million was $171 million lower than the same time last year, with reductions in both utilities ($28 million) and industrial operations ($143 million). Backlog was lower in utilities operations primarily in Western Canada due to work off of pipeline projects. The decline in industrial backlog was mostly the result of a reduction in backlog attributed to the sale of IST ($57 million) and lower backlog in Western Canada from site construction projects ($109 million). New contract awards of $287 million in the third quarter of 2015 were $73 million lower than in the same period in 2014, and new awards of $693 million for the first nine months of 2015 were $271 million lower than in the same period in 2014. The decrease in new awards for the quarter and for the year-to-date period reflects the impact of fewer new awards from utilities operations and lower awards in industrial operations as well as the impact on awards from the sale of IST.

As discussed in the Consolidated Financial Highlights section, the Energy segment's effective backlog at any given time is greater than what is reported.

MINING

Financial Highlights

$ millions	Three months ended September 30		Nine months ended September 30	
	2015	2014 [(1)]	**2015**	2014 [(1)]
Revenue	$ **213.6**	$ 148.6	$ **498.9**	$ 363.1
Gross profit	$ **32.0**	$ 21.9	$ **76.1**	$ 42.4
Adjusted EBITDA	$ **25.5**	$ 16.0	$ **57.2**	$ 24.2
Operating profit	$ **18.2**	$ 9.7	$ **34.9**	$ 4.4
Gross profit margin	**15.0%**	14.7%	**15.2%**	11.7%
Adjusted EBITDA margin	**11.9%**	10.8%	**11.5%**	6.7%
Operating margin	**8.5%**	6.5%	**7.0%**	1.2%
Backlog			$ **318**	$ 303

(1) Certain comparative amounts for 2014 have been reclassified to conform to the presentation adopted in the current year.

Revenue of $214 million in the Mining segment for the three months ended September 30, 2015 was $65 million, or 44%, higher than in the same period in 2014. The majority of the increase ($61 million) was due to a higher volume of site installation work in the commodity mining sector. Revenue from civil and foundations work related to mining projects was also higher ($19 million) due primarily to higher volume in Eastern Canada. Partially offsetting these increases was lower revenue from contract mining ($15 million) where higher revenue from work at new site development projects in Alberta was more than offset by reduced volume from other traditional contract mining work.

For the nine months ended September 30, 2015, Mining segment revenue of $499 million was $136 million, or 37%, higher compared to revenue of $363 million in the comparative period last year. Similar to the third quarter, higher revenue was due largely to an increase in volume in the commodity mining sector ($146 million) and higher revenue from civil and foundations work related to mining projects ($11 million). Partially offsetting these increases was lower revenue from contract mining ($20 million) primarily from reduced volume from traditional contract mining work.

In the third quarter of 2015, operating profit of $18.2 million improved by $8.5 million when compared to an operating profit of $9.7 million in the same period in 2014. Year-to-date operating profit of $34.9 million improved by $30.5 million when compared to an operating profit of $4.4 million in the same period last year. Operating profit improved in all three sectors within the Mining segment for both the three and nine-month periods ended September 30, 2015. Operating profit in the commodity mining sector increased when compared to the same periods last year primarily due to higher volume, and operating profit in contract mining operations in both periods increased due to higher gross profit margin as a result of a more favourable mix of work and better site conditions for unit rate reclamation work when compared to the same periods in 2014. In civil and foundations work, operating profit increased in the third quarter and year-to-date periods due to higher gross profit margin from ongoing projects, which more than offset lower income from projects reported under the equity method in the year-to-date period.

Backlog at September 30, 2015 of $318 million was $15 million higher than the same time last year. Backlog increased in the commodity mining sector ($108 million) primarily due to project awards for site installation work related to potash projects. This increase was partially offset by a decrease in backlog in contract mining operations ($83 million) largely due to work off of backlog related to new site development projects in Alberta and lower backlog in civil and foundations operations ($11 million). New contract awards of $50 million in the third quarter of 2015 were $135 million lower than in the same period in 2014, and new awards of $381 million for the first nine months of 2015 were $208 million lower than in the same period in 2014. The decrease in awards in the first nine months of the year was largely due to a reduction in new awards for contract mining work when compared to the same period last year, partially offset by higher awards in civil and foundations operations.

As discussed in the Consolidated Financial Highlights section, the Mining segment's effective backlog at any given time is greater than what is reported.

CONCESSIONS

Financial Highlights

$ millions	Three months ended September 30		Nine months ended September 30	
	2015	2014	**2015**	2014
Revenue	$ **1.2**	$ 0.7	$ **2.5**	$ 2.1
Gross profit	$ **0.2**	$ (0.4)	$ **(0.7)**	$ (0.8)
Income from projects accounted for using the equity method	$ **0.8**	$ 7.1	$ **14.7**	$ 18.8
Adjusted EBITDA	$ **2.8**	$ 12.7	$ **26.5**	$ 36.5
Operating profit	$ **0.9**	$ 5.7	$ **11.1**	$ 15.4

Aecon entered into an agreement on June 8, 2015 to sell its 45.5% share in the Quito airport concession operations for US$232.6 million. The transaction remains subject to formal approval by lenders to Quiport. As Aecon's investment in Quiport is expected to be recovered through this sale transaction, this investment is presented, on a prospective basis, as an asset "held for sale" on the consolidated balance sheet as at September 30, 2015. In addition, equity accounting ceased from the point the joint venture was classified as "held for sale". Therefore, results from the Quito airport concessionaire subsequent to June 8, 2015 have not been reported within the Concessions segment, thereby impacting the segment's results for the three and nine-month periods ended September 30, 2015 when compared to the same periods in the prior year.

Revenue reported in the Concessions segment for the three months ended September 30, 2015 and 2014, was $1.2 million and $0.7 million, respectively, while revenue for the nine months ended September 30, 2015 and 2014, was $2.5 million and $2.1 million, respectively.

For the three months ended September 30, 2015, operating profit of $0.9 million decreased by $4.9 million when compared to the same period last year and for the nine months ended September 30, 2015, operating profit of $11.1 million was $4.3 million lower when compared to the same period in 2014. The decline in operating profit in both periods was due to a reduced contribution from the Quito airport concessionaire for the reasons

cited above, and offset in part by increased profit contributions from recent light rail transit ("LRT") concession projects in Ontario.

Aecon does not include in its reported backlog expected revenue from operations management contracts and concession agreements. As such, while Aecon expects future revenue from its concession assets, no concession backlog is reported.

Quarterly Financial Data

Set out below is quarterly financial data for the most recent eight quarters:

$ millions (except per share amounts)

	2015			2014				2013
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Revenue	$ 874.9	$ 667.3	$ 501.5	$ 722.2	$ 840.4	$ 589.6	$ 461.9	$ 906.2
Adjusted EBITDA	76.1	29.9	6.5	75.9	77.3	13.9	3.1	79.1
Earnings (loss) before income taxes	47.8	12.8	(25.7)	36.9	51.3	(16.8)	(36.0)	36.7
Profit (loss)	25.6	12.4	(17.0)	28.6	39.5	(12.2)	(25.9)	28.2
Adjusted profit (loss)	25.6	12.2	(17.0)	27.3	33.1	(13.9)	(24.7)	33.6
Earnings (loss) per share:								
Basic	0.45	0.22	(0.30)	0.51	0.73	(0.23)	(0.49)	0.54
Diluted	0.35	0.21	(0.30)	0.39	0.49	(0.23)	(0.49)	0.48
Adjusted earnings (loss) per share:								
Basic	0.45	0.22	(0.30)	0.49	0.61	(0.26)	(0.47)	0.64
Diluted	0.35	0.21	(0.30)	0.39	0.49	(0.26)	(0.47)	0.50

Set out below is the calculation of Adjusted EBITDA for the most recent eight quarters:

$ millions

	2015			2014				2013
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Operating profit (loss)	$ 55.4	$ 19.8	$ (18.2)	$ 40.9	$ 53.8	$ (7.8)	$ (23.2)	$ 54.6
Depreciation and amortization	17.3	16.7	17.0	17.3	15.3	14.1	16.8	16.3
(Gain) loss on sale of assets and investments	(1.3)	(0.4)	0.7	0.1	0.3	0.5	-	0.9
Gain on disposal of a subsidiary	-	(14.1)	-	-	-	-	-	-
Restructuring costs	-	-	-	6.5	-	-	2.6	-
(Gain) loss on mark-to-market of LTIP program	2.2	1.3	(0.2)	2.6	0.6	-		-
Income from projects accounted for using the equity method	(3.9)	(6.9)	(8.3)	(10.9)	(8.2)	(6.6)	(7.3)	(11.3)
JV EBITDA	6.4	13.5	15.5	19.4	15.5	13.6	14.2	18.7
Adjusted EBITDA	$ 76.1	$ 29.9	$ 6.5	$ 75.9	$ 77.3	$ 13.9	$ 3.1	$ 79.1

Set out below is the calculation of JV EBITDA for the most recent eight quarters:

$ millions

	2015			2014				2013
Aecon's proportionate share of projects accounted for using the equity method (1)	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Operating profit	$ 6.3	$ 10.7	$ 11.4	$ 15.7	$ 11.9	$ 10.0	$ 10.6	$ 15.2
Depreciation and amortization	0.1	2.8	4.1	3.7	3.6	3.6	3.7	3.5
JV EBITDA	6.4	13.5	15.5	19.4	15.5	13.6	14.2	18.7

(1) Refer to Note 9 "Projects Accounted for Using the Equity Method" in the September 30, 2015 interim condensed consolidated financial statements

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Aecon's participation in joint arrangements classified as joint operations is accounted for in the consolidated financial statements by reflecting, line by line, Aecon's share of the assets held jointly, liabilities incurred jointly, and revenue and expenses arising from the joint operations.

Aecon's participation in joint arrangements classified as joint ventures, including Quiport JV until it was classified as "held for sale" in June 2015, as well as Aecon's participation in project entities where Aecon exercises significant influence over the entity, but does not control or jointly control the entity (i.e., associates), is accounted for using the equity method.

For further information, see Note 9 to the September 30, 2015 interim condensed consolidated financial statements.

Cash and Debt Balances

Cash balances as at September 30, 2015 and December 31, 2014 are as follows:

$ millions		**September 30, 2015**		
		Balances excluding Joint Operations	**Joint Operations**	**Consolidated Total**
Cash and cash equivalents	(1)	**$ -**	**$ 136**	**$ 136**
Restricted cash	(2)	**5**	**-**	**5**
Bank indebtedness	(3)	**(129)**	**-**	**(129)**
		December 31, 2014		
		Balances excluding Joint Operations	**Joint Operations**	**Consolidated Total**
Cash and cash equivalents	(1)	$ 32	$ 107	$ 139
Restricted cash	(2)	4	-	4

(1) Cash and cash equivalents includes cash on deposit in bank accounts of joint operations which Aecon cannot access directly.

(2) Restricted cash includes cash that is deposited as collateral for letters of credit issued by Aecon.

(3) Bank indebtedness represents borrowings on Aecon's revolving credit facility.

Total long-term debt of $421.1 million as at September 30, 2015 compares to $444.9 million as at December 31, 2014, the composition of which is as follows:

$ millions				
		September 30, 2015		December 31, 2014
Current portion of long-term debt	**$**	**66.3**	$	83.2
Current portion of convertible debentures		**92.0**		90.8
Long-term debt		**102.7**		113.6
Convertible debentures		**160.1**		157.3
Total long-term debt	**$**	**421.1**	$	444.9

The $23.8 million decrease in total long-term debt results primarily from repayments related to finance leases ($11.6 million) and equipment and other loans ($16.2 million). Convertible debentures increased by $4.0 million during the first nine months of 2015 due to a $4.2 million increase related to the accretion of notional interest on both the 2015 and 2018 convertible debentures that was partially offset by a $0.2 million decrease in the fair value attributed to the embedded derivative component of the convertible debenture maturing in 2015.

Aecon's liquidity position and capital resources are expected to be sufficient to finance its operations and working capital requirements for the foreseeable future. Aecon's liquidity position is strengthened by its ability to draw on a committed revolving credit facility of $400 million of which $213 million was unutilized as at September 30, 2015. When combined with an additional $500 million letter of credit facility provided by Export Development Canada ("EDC"), Aecon's total committed credit facilities for working capital and letter of credit requirements are $900 million. In the first quarter of 2015, the expiry date of the above noted revolving credit facility was extended to March 2019 from August 2016 and in the second quarter of 2015 the available amount of credit was increased from $300 million to $400 million. In the first nine months of 2015, the size of the above noted EDC domestic letter of credit facility was increased from $250 million to $500 million while a US$15 million international letter of credit facility was discontinued as a result of the sale of IST. As at September 30, 2015, Aecon was in compliance with all debt covenants related to its credit facility.

Subsequent to quarter end on October 31, 2015, $92 million of convertible debentures matured and were repaid in full in cash.

In the first quarter of 2015, Aecon's Board of Directors approved an increase in the dividend to be paid to all holders of Aecon common shares. Annual dividends increased to $0.40 per share, to be paid in four quarterly payments of $0.10 per share. Prior to this increase, Aecon paid an annual dividend of $0.36 per share ($0.09 each quarter). The first quarterly dividend payment of $0.10 per share was paid on April 1, 2015.

Summary Of Cash Flows

$ millions	Consolidated Cash Flows			
	Nine months ended September 30			
		2015		2014
Cash provided by (used in):				
Operating activities	**$**	**(73.1)**	$	(41.3)
Investing activities		**(5.7)**		(23.1)
Financing activities		**76.4**		(60.3)
(Decrease) in cash and cash equivalents		**(2.4)**		(124.7)
Effects of foreign exchange on cash balances		**(0.1)**		-
Cash and cash equivalents - beginning of period		**138.9**		240.6
Cash and cash equivalents - end of period	**$**	**136.4**	$	115.9

The construction industry in Canada is seasonal in nature for companies like Aecon who perform a significant portion of their work outdoors, particularly road construction and utilities work. As a result, a larger portion of this work is performed in the summer and fall months than in the winter and early spring months. Accordingly, Aecon has historically experienced a seasonal pattern in its operating cash flows, with cash balances typically being at their lowest levels in the middle of the year as investments in working capital increase. These seasonal impacts typically result in cash balances peaking near year end or during the first quarter of the year.

Operating Activities

Cash used in operating activities of $73 million in the first nine months of 2015 compares with cash used in operating activities of $41 million in the same period in 2014. The $32 million period-over-period increase in cash used in operating activities resulted from higher investments in working capital mainly in the Energy segment, offset by higher operating profit in the year-to-date period in 2015 when compared to the same period last year.

Investing Activities

In the first nine months of 2015, cash used in investing activities of $6 million compares to cash used of $23 million in the same period in 2014. Most of the $17 million period-over-period reduction in cash used is due to net proceeds from the sale of IST of $26 million, offset by lower cash distributions from projects accounted for using the equity method which decreased from $13 million in the first nine months of 2014 to $3 million in the same period in 2015. In addition, in the first nine months of 2015, $34 million of cash was used for expenditures (net of disposals) on property, plant and equipment and intangible assets compared to $36 million of cash used in the first nine months of 2014.

In the first nine months of 2015, Aecon acquired, either through purchases or finance leases, property, plant and equipment totalling $36 million. Most of this investment in property, plant and equipment related to the purchase of new machinery and construction equipment as part of normal ongoing business operations in each operating segment. In the first nine months of 2014, investments in property, plant and equipment totalled $31 million.

Financing Activities

In the first nine months of 2015, cash provided by financing activities amounted to $76 million, compared to cash used in financing activities of $60 million in the same period in 2014. The increase in cash provided by financing activities was due to an increase in bank indebtedness associated with borrowings under the Company's revolving credit facility of $129 million. Issuances of long-term debt in the first nine months of 2015 amounted to $15 million, while repayments totalled $57 million, for a net outflow of $42 million. The majority of the debt borrowings related to the financing of expenditures related to software and equipment, while the majority of debt repayments related to equipment financing arrangements. In the first nine months of 2014, net debt repayments totalled $26 million, relating primarily to equipment financing arrangements. Dividends of $16 million were paid in the first nine months of 2015, compared to $15 million in the same period in 2014. There was no cash provided by the exercise of stock options in the first nine months of 2015 compared to $3 million of cash provided in the same period in 2014. In addition, $172 million of convertible debentures were repaid in the first nine months of 2014 and proceeds from the sale of Aecon common shares by the Company's Long-Term Incentive Plan trust in the first nine months of 2014, were $38 million. There were no cash movements in the first nine months of 2015 related to convertible debentures or sale of Aecon common shares.

NEW ACCOUNTING STANDARDS

New accounting standards impacting the Company in 2015 and beyond are described in Note 7 to the December 31, 2014 consolidated financial statements.

These new accounting standards had no significant impact on profit (loss), comprehensive income or earnings per share in the first nine months of 2015.

SUPPLEMENTAL DISCLOSURES

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), together with management, have designed disclosure controls and procedures to provide reasonable assurance that material information with respect to the Company, including its consolidated subsidiaries, is made known to them by others and is recorded, processed, summarized and reported within the time periods specified in securities legislation. The CEO and CFO, together with management, have also designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with GAAP. In designing such controls, it should be recognized that any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to consolidated financial statement preparation and presentation and may not prevent or detect misstatements due to error or fraud.

Changes in Internal Controls over Financial Reporting

During the period beginning on June 30, 2015 and ending on September 30, 2015, the Company's internal controls over financial reporting changed as a result of the partial deployment of a new Enterprise Resource Planning ("ERP") implementation which has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting. The ERP implementation project is designed to replace many existing standalone applications with a common set of applications on a common platform in order to standardize processes, improve efficiencies, and improve overall controls and reporting. The implementation project has resulted in the redesign of certain business processes, some of which related to internal controls over financial reporting and disclosure controls and procedures. The project is following a phased deployment schedule throughout 2015 and will become fully operational across the Company by the end of 2015. As at September 30, 2015, the new system was deployed across approximately half of the Company's operations. Implementing an ERP system on a widespread basis involves significant changes in business processes and extensive organizational training. The Company believes a phased-in approach reduces the risks associated with making these changes and believes it has and is taking the necessary steps to design, monitor and maintain appropriate internal controls during this transition period. These steps include deploying resources to mitigate internal control risks and performing additional verification and testing procedures to ensure data integrity.

Contractual Obligations

As at December 31, 2014, the Company had commitments totalling $534 million for equipment and premises under operating leases requiring minimum payments, and for principal repayment obligations under long-term debt and convertible debentures. There have been no material changes since December 31, 2014.

As at September 30, 2015, Aecon had contractual obligations to complete construction contracts that were in progress. The revenue value of these contracts was $3,394 million.

Further details on Contractual Obligations are included in the Company's 2014 Annual Report.

Off-Balance Sheet Arrangements

In connection with its operations in Quito, Aecon has provided various financial and performance guarantees and letters of credit, which are described in Note 19 to the September 30, 2015 interim condensed consolidated financial statements.

Aecon's defined benefit pension plans had a combined deficit of $3.8 million at September 30, 2015 (December 31, 2014 - $4.4 million). The defined benefit obligations and benefit cost levels will change as a result of future changes in the actuarial methods and assumptions, the membership data, the plan provisions and the legislative rules, or as a result of future experience gains or losses, none of which have been anticipated at this time. Emerging experience, differing from assumptions, will result in gains or losses that will be disclosed in future accounting valuations. Refer to Note 20 of the Company's 2014 Annual Report for further details regarding Aecon's defined benefit plans.

Further details of contingencies and guarantees are included in the September 30, 2015 interim condensed consolidated financial statements and in the 2014 Annual Report.

Related Party Transactions

There were no significant related party transactions in the first nine months of 2015.

Critical Accounting Estimates

The reader is referred to the detailed discussion on Critical Accounting Estimates as outlined in Note 4 to the September 30, 2015 interim condensed consolidated financial statements.

RISK FACTORS

The reader is referred to the detailed discussion on Risk Factors as outlined in the Company's Annual Information Form dated March 30, 2015 and available through SEDAR at www.sedar.com. These risk factors could materially and adversely affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. These risks and uncertainties and risk management practices, which management reviews on a quarterly basis, have not materially changed in the period since March 30, 2015.

Outstanding Share Data

Aecon is authorized to issue an unlimited number of common shares. The following are details of common shares outstanding and securities that are convertible into common shares.

In thousands of dollars (except share amounts)		**November 11, 2015**
Number of common shares outstanding[1]		56,536,370
Outstanding securities exchangeable or convertible into common shares:		
Number of stock options outstanding		450,000
Number of common shares issuable on exercise of stock options		450,000
Increase in paid-up capital on exercise of stock options	$	5,214
Principal amount of convertible debentures outstanding (see Note 16 to the September 30, 2015 interim condensed consolidated financial statements)	$	260,702
Number of common shares issuable on conversion of convertible debentures		13,467,105
Increase in paid-up capital on conversion of convertible debentures	$	260,702

(1) The number of common shares outstanding as per the above table as at November 11, 2015 includes 78,496 shares held by the trustee of Aecon's Long-Term Incentive Plan ("LTIP").

The number of common shares outstanding as at November 11, 2015 for consolidated financial statement purposes, after deducting the above LTIP shares, was 56,457,874 shares.

OUTLOOK

The third quarter of 2015 demonstrated further progress on revenue and margin performance. Revenue of $875 million represented growth of 4% from the same period last year, or 7% on a like for like basis excluding the period-over-period impact of the sale of IST in April 2015. On a year-to-date basis after nine months, revenue versus the first nine months of 2014 has grown 8%, or 10% on a like for like basis with growth in all three main operating segments. Adjusted EBITDA in the third quarter of $76.1 million at a margin of 8.7% compared to $77.3 million at a margin of 9.2% in the same period last year. However, in addition to the impact of the sale of IST in April 2015, the period-over-period Adjusted EBITDA comparison was also impacted by the classification of Aecon's investment in Quiport as an asset "held for sale" in June 2015. On a like for like basis in the third quarter, excluding IST and Quiport EBITDA from the prior period, Adjusted EBITDA of $76.1 million compared to $59.6 million, an improvement of $16.5 million, and Adjusted EBITDA margin of 8.7% compared to a margin of 7.3%, an improvement of 1.4%. On a year-to-date basis, like for like improvement in Adjusted EBITDA is $36.9 million and Adjusted EBITDA margin has improved by 1.5%.

In addition to progress on revenue and margin performance, a new record backlog position of $3.4 billion was achieved at the end of the third quarter of 2015, surpassing the previous record of $2.8 billion at the end of the first quarter of 2015 and higher than the $2.7 billion backlog at the end of the same period last year. This increase in backlog was driven by the Infrastructure segment and resulted from the commercial and financial close on July 24, 2015 of the $5.3 billion Eglinton Crosstown LRT project in which Aecon holds a 25% interest in the equity and development, construction and maintenance activities.

While noting the progress above in year-to-date results, at this point it is expected that the fourth quarter of 2015 will be more broadly in line with the previous year on a like for like basis. The sale of IST and the classification of Aecon's investment in Quiport as an asset "held for sale" will continue to have an impact on reported results when compared to the same periods in the prior year. Overall a positive outlook is maintained for the remainder of the year and into 2016 due to Aecon's strong backlog and recurring revenue in terms of volume, mix of work, and margin profile.

Infrastructure segment backlog, at the end of the third quarter, was $2.3 billion compared to $1.4 billion at the same time last year due to the previously mentioned Eglinton Crosstown LRT project award in July 2015. Increased infrastructure spending to address both the significant infrastructure deficit in Canada and slower economic growth is expected to be a key area of focus by federal, provincial, and municipal governments over the next few years and Aecon is well positioned to successfully bid on, secure, and deliver these projects. Aecon is recognized for its expertise and capability to deliver large, complex, multi-disciplinary infrastructure projects and expects to continue to achieve success in these pursuits with its partners, which is expected to lead to ongoing growth in this segment in 2016.

Backlog in the Energy segment was $758 million at the end of the third quarter compared to $928 million at the end of the same period last year due to lower backlog in Western Canada from work off of pipeline and site construction projects as well as the impact on backlog of the sale of IST. There is still uncertainty as to the timing and extent of any recovery in oil prices; however, Aecon continues to bid and win work in the oil and gas sector. In the near term, expectations are for a lower volume of large diameter pipeline work and lower overall awards in commodity related markets due to overall lower industry activity. Fabrication and modular assembly services are expected to remain solid in the first half of 2016 and it is expected there will be increased demand for utilities work, power and nuclear refurbishment in 2016 as projects in these areas ramp up.

Backlog in the Mining segment at the end of the third quarter of $318 million compared to $303 million at the end of the same period last year. New development projects linked to a variety of different commodities continue to move forward with engineering and feasibility work. While contract mining operations in the oil sands are subject to some volume uncertainty due to reduced spending in the current environment, the current backlog and an increase in non-oil related work is expected to sustain the mining fleet in 2016, combined with strong expected performance from site installation operations in 2016.

The Concessions segment continues to partner with Aecon's other segments to focus on the significant number of Public Private Partnership opportunities, and is actively pursuing a number of large-scale infrastructure projects that require private finance solutions. The Eglinton Crosstown LRT project award is further validation of the strength of the Concessions business and its successful integration with Aecon's operating segments.

On June 8, 2015, the Company announced the pending sale of Aecon's interest in the Quito International Airport concessionaire ("Quiport"). As the assets and liabilities of Quiport are expected to be realized through this transaction, the Company continues to present, on a prospective basis, the investment in Quiport as an asset "held for sale" on its consolidated balance sheets and no longer reports its share of the earnings of Quiport in Aecon's consolidated statements of income. Once the sale transaction closes, sale proceeds, net of transaction costs, of approximately US$195 million will be received. On October 16, 2015, a significant milestone was achieved when the proposed transaction received anti-trust approval from the Government of Ecuador. The transaction remains subject to formal approval from the lenders to Quiport.

On October 31, 2015, $92 million of convertible debentures matured and was repaid in full in cash using the existing liquidity resources of the Company.

Aecon continues to be disciplined in responding to requests for its services, becoming pre-qualified, bidding, negotiating and carrying out work. The outlook for the remainder of 2015 and into 2016 remains positive based on a strong backlog, recurring revenue agreements, and solid margin profile in each operating segment. All four segments continue to bid on opportunities that should further enhance the level of backlog and support the goal of continuing to improve Adjusted EBITDA margin. The fourth quarter is expected to provide solid results before the seasonally weaker first half of next year reflecting the typical seasonality of Aecon's work in transportation and utilities. Aecon's diversified portfolio of work, focus on execution, and strong financial resources continue to be key strengths in capitalizing on the opportunities ahead.

AECON GROUP INC.
THIRD QUARTER

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

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MANAGEMENT REPORT
November 11, 2015

Notice to Reader

The management of Aecon Group Inc. (the "Company") is responsible for the preparation of the accompanying interim condensed consolidated financial statements. The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements including International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and are considered by management to present fairly the consolidated financial position, operating results and cash flows of the Company.

These interim condensed consolidated financial statements have not been reviewed by an auditor. These interim condensed consolidated financial statements are unaudited and include all adjustments, consisting of normal and recurring items, that management considers necessary for a fair presentation of the consolidated financial position, results of operations and cash flows of the Company.

(signed) Terrance L. McKibbon, President and Chief Executive Officer

(signed) David Smales, Executive Vice-President and Chief Financial Officer

CONSOLIDATED BALANCE SHEETS

AS AT SEPTEMBER 30, 2015 AND DECEMBER 31, 2014

(in thousands of Canadian dollars) (unaudited)

	Note	September 30 2015	December 31 2014
ASSETS			
Current assets			
Cash and cash equivalents		**$ 136,367**	$ 138,924
Restricted cash		**5,098**	4,291
Trade and other receivables	5	**633,703**	468,946
Unbilled revenue	6	**395,815**	301,402
Inventories	7	**28,755**	31,286
Income taxes recoverable		**11,165**	4,072
Prepaid expenses		**16,320**	14,214
Investment in joint venture classified as held for sale	8	**243,537**	-
		1,470,760	963,135
Non-current assets			
Long-term financial assets		**2,926**	3,746
Projects accounted for using the equity method	9	**32,099**	245,727
Deferred income tax assets		**18,682**	25,900
Property, plant and equipment	10	**471,125**	493,108
Intangible assets	11	**111,120**	98,494
		635,952	866,975
TOTAL ASSETS		**$ 2,106,712**	$ 1,830,110
LIABILITIES			
Current liabilities			
Bank indebtedness	12	**$ 129,465**	$ -
Trade and other payables	13	**579,532**	514,400
Provisions	14	**11,885**	15,636
Deferred revenue	6	**179,904**	118,117
Income taxes payable		**4,032**	1,786
Long-term debt	15	**66,245**	83,226
Convertible debentures	16	**91,970**	90,816
		1,063,033	823,981
Non-current liabilities			
Provisions	14	**7,489**	7,108
Long-term debt	15	**102,701**	113,612
Convertible debentures	16	**160,058**	157,291
Deferred income tax liabilities		**65,675**	65,515
Other liabilities		**11,013**	6,653
		346,936	350,179
TOTAL LIABILITIES		**1,409,969**	1,174,160
EQUITY			
Capital stock	20	**328,280**	324,287
Convertible debentures	16	**8,674**	8,674
Contributed surplus	20	**41,592**	5,509
Retained earnings		**294,875**	290,858
Accumulated other comprehensive income		**23,322**	26,622
TOTAL EQUITY		**696,743**	655,950
TOTAL LIABILITIES AND EQUITY	19	**$ 2,106,712**	$ 1,830,110

CONSOLIDATED STATEMENTS OF INCOME

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014
(in thousands of Canadian dollars, except per share amounts) (unaudited)

	Note	For the three months ended		For the nine months ended	
		September 30 2015	September 30 2014	**September 30 2015**	September 30 2014
Revenue		**$ 874,943**	$ 840,399	**$ 2,043,775**	$ 1,891,838
Direct costs and expenses	21	**(766,864)**	(744,122)	**(1,840,877)**	(1,718,708)
Gross profit		**108,079**	96,277	**202,898**	173,130
Marketing, general and administrative expenses	21	**(37,804)**	(34,304)	**(125,093)**	(122,520)
Depreciation and amortization	21	**(17,351)**	(15,287)	**(51,010)**	(46,251)
Income from projects accounted for using the equity method	9	**3,912**	8,156	**19,132**	22,056
Other income (loss)	22	**(1,417)**	(1,093)	**11,138**	(3,639)
Operating profit		**55,419**	53,749	**57,065**	22,776
Finance income		**306**	939	**782**	1,845
Finance costs	23	**(7,924)**	(12,058)	**(23,082)**	(35,465)
Fair value gain on convertible debentures	16	**33**	8,723	**172**	9,320
Profit (loss) before income taxes		**47,834**	51,353	**34,937**	(1,524)
Income tax recovery (expense)	17	**(22,254)**	(11,825)	**(13,963)**	2,937
Profit for the period		**$ 25,580**	$ 39,528	**$ 20,974**	$ 1,413
Basic earnings per share	24	**$ 0.45**	$ 0.73	**$ 0.37**	$ 0.03
Diluted earnings per share	24	**$ 0.35**	$ 0.49	**$ 0.35**	$ 0.03

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014
(in thousands of Canadian dollars) (unaudited)

	For the three months ended		For the nine months ended	
	September 30 2015	September 30 2014	**September 30 2015**	September 30 2014
Profit for the period	**$ 25,580**	$ 39,528	**$ 20,974**	$ 1,413
Other comprehensive income (loss):				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences - foreign operations	**-**	89	**(60)**	511
Currency translation differences - equity-accounted investees	**-**	6,302	**15,105**	9,664
Cash flow hedges	**(17,349)**	810	**(20,826)**	544
Income taxes on the above	**2,046**	(202)	**2,481**	(136)
Total other comprehensive income (loss) for the period	**(15,303)**	6,999	**(3,300)**	10,583
Comprehensive income for the period	**$ 10,277**	$ 46,527	**$ 17,674**	$ 11,996

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

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

					Accumulated other comprehensive income (loss)			
	Capital stock	Convertible debentures	Contributed surplus	Retained earnings	Currency translation differences	Actuarial gains and losses	Cash flow hedges	Shareholders' equity
Balance as at January 1, 2015	**$ 324,287**	**$ 8,674**	**$ 5,509**	**$ 290,858**	**$ 27,576**	**$ (954)**	**$ -**	**$ 655,950**
Profit for the period	-	-	-	20,974	-	-	-	**20,974**
Other comprehensive income (loss):								
Currency translation differences - foreign operations	-	-	-	-	(60)	-	-	**(60)**
Currency translation differences - equity-accounted investees	-	-	-	-	15,105	-		**15,105**
Cash flow hedges	-	-	-	-	-	-	(20,826)	**(20,826)**
Taxes with respect to above items included in other comprehensive income	-	-	-	-	-	-	2,481	**2,481**
Total other comprehensive income (loss) for the period	**-**	**-**	**-**	**-**	**15,045**	**-**	**(18,345)**	**(3,300)**
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**20,974**	**15,045**	**-**	**(18,345)**	**17,674**
Dividends declared	-	-	-	(16,957)	-	-	-	**(16,957)**
Transfers by the Trust to settle long-term incentive plan (LTIP) obligations	2,791	-	-	-	-	-	-	**2,791**
Reclassification of LTIP to an equity settled plan	-	-	32,436	-	-	-	-	**32,436**
Reclassification of Director DSU plan to an equity-settled plan	-	-	1,569	-	-	-	-	**1,569**
Share-based compensation	-	-	3,280	-	-	-	-	**3,280**
Shares issued to settle LTIP/Director DSU obligation	1,202		(1,202)					**-**
Balance as at September 30, 2015	**$ 328,280**	**$ 8,674**	**$ 41,592**	**$ 294,875**	**$ 42,621**	**$ (954)**	**$ (18,345)**	**$ 696,743**

					Accumulated other comprehensive income (loss)			
	Capital stock	Convertible debentures	Contributed surplus	Retained earnings	Currency translation differences	Actuarial gains and losses	Cash flow hedges	Shareholders' equity
Balance as at January 1, 2014	**$ 286,747**	**$ 8,674**	**$ 6,477**	**$ 277,474**	**$ 8,036**	**$ (391)**	**$ (409)**	**$ 586,608**
Profit for the period	-	-	-	1,413	-	-	-	**1,413**
Other comprehensive income (loss):								
Currency translation differences - foreign operations	-	-	-	-	511	-	-	**511**
Currency translation differences - equity-accounted investees	-	-	-	-	9,664	-	-	**9,664**
Cash flow hedges - equity accounted investees	-	-	-	-	-	-	544	**544**
Taxes with respect to above items included in other comprehensive income	-	-	-	-	-	-	(136)	**(136)**
Total other comprehensive income for the period	**-**	**-**	**-**	**-**	**10,175**	**-**	**408**	**10,583**
Total comprehensive profit for the period	**-**	**-**	**-**	**1,413**	**10,175**	**-**	**408**	**11,996**
Dividends declared	-	-	-	(15,241)	-	-	-	**(15,241)**
Common shares issued on exercise of options	3,908	-	(977)	-	-	-	-	**2,931**
Granting of stock options	-	-	6	-	-	-	-	**6**
Transfers by the Trust to settle long-term incentive plan (LTIP) obligations	5,205	-	-	-	-	-	-	**5,205**
Common shares sold by the Trust of the LTIP	26,477	-	-	8,562	-	-	-	**35,039**
Reclassification of LTIP to a cash-settled plan	-	-	-	(4,898)	-	-	-	**(4,898)**
Common shares cancelled	(12)	-	-	-	-	-	-	**(12)**
Common shares issued on conversion of debentures	5	-	-	-	-	-	-	**5**
Balance as at September 30, 2014	**$ 322,330**	**$ 8,674**	**$ 5,506**	**$ 267,310**	**$ 18,211**	**$ (391)**	**$ (1)**	**$ 621,639**

During the nine months ended September 30, 2015, the Company declared dividends amounting to $0.30 per share (September 30, 2014 - $0.27 per share).

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

(in thousands of Canadian dollars) (unaudited)

	Note	**September 30 2015**	September 30 2014
CASH PROVIDED BY (USED IN)			
Operating activities			
Profit before income taxes		**$ 34,937**	$ (1,524)
Income taxes paid		**(10,006)**	634
Defined benefit pension		**(676)**	(399)
Items not affecting cash:			
Depreciation and amortization		**51,010**	46,251
Income from projects accounted for using the equity method		**(19,132)**	(22,056)
(Gain) loss on sale of property, plant and equipment		**(1,126)**	846
Income from leasehold inducements		**(292)**	(358)
(Gain) loss on disposal of subsidiary		**(14,140)**	2,555
Unrealized foreign exchange loss		**213**	510
Increase in provisions		**1,398**	2,823
Notional interest representing accretion		**4,211**	8,247
Fair value gain on convertible debentures		**(172)**	(9,320)
Stock-based compensation		**3,280**	6
Gain on cancellation of common shares		**-**	(12)
Change in other balances relating to operations	25	**(122,658)**	(69,542)
		(73,153)	(41,339)
Investing activities			
Increase in restricted cash balances		**(807)**	(120)
Purchase of property, plant and equipment		**(22,021)**	(18,306)
Proceeds on sale of property, plant and equipment		**7,383**	5,260
Proceeds on sale of a subsidiary		**25,715**	-
Increase in intangible assets		**(19,795)**	(23,190)
(Increase) decrease in long-term financial assets		**490**	(195)
Distributions from projects accounted for using the equity method		**3,356**	13,413
		(5,679)	(23,138)
Financing activities			
Increase in bank indebtedness		**129,465**	110,000
Issuance of long-term debt		**14,928**	26,463
Repayments of long-term debt		**(56,922)**	(51,841)
Increase in other liabilities		**5,328**	1,134
Issuance of capital stock		**-**	2,931
Sale of common shares by the LTIP Trust		**-**	38,126
Dividends paid		**(16,379)**	(14,655)
Repayment of convertible debentures		**-**	(172,495)
		76,420	(60,337)
Decrease in cash and cash equivalents during the period		**(2,412)**	(124,814)
Effects of foreign exchange on cash balances		**(145)**	43
Cash and cash equivalents - beginning of period		**138,924**	240,602
Cash and cash equivalents - end of period	25	**$ 136,367**	$ 115,831

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

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

1. CORPORATE INFORMATION

Aecon Group Inc. ("Aecon" or the "Company") is a publicly traded construction and infrastructure development company incorporated in Canada. Aecon and its subsidiaries provide services to private and public sector clients throughout Canada and on a selected basis internationally. Its registered office is located in Toronto, Ontario at 20 Carlson Court, Suite 800, M9W 7K6.

Aecon operates in four principal segments within the construction and infrastructure development industry: Infrastructure, Energy, Mining and Concessions.

2. DATE OF AUTHORIZATION FOR ISSUE

The interim condensed consolidated financial statements of the Company were authorized for issue on November 11, 2015 by the Board of Directors of the Company.

3. BASIS OF PRESENTATION

Basis of presentation

The Company prepares its interim condensed consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS").

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting." The interim condensed consolidated financial statements do not include all the information and disclosures required in the Company's annual consolidated financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2014.

Seasonality

The construction industry in Canada is seasonal in nature for companies like Aecon who do a significant portion of their work outdoors, particularly road construction and utilities work. As a result, less work is performed in the winter and early spring months than in the summer and fall months. Accordingly, Aecon has historically experienced a seasonal pattern in its operating results, with the first half of the year, and particularly the first quarter, typically generating lower revenue and profits than the second half of the year. Therefore, results in any one quarter are not necessarily indicative of results in any other quarter, or for the year as a whole.

Basis of measurement

The interim condensed consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value, including derivative instruments and available-for-sale investments.

Principles of consolidation

The interim condensed consolidated financial statements include the accounts of the Company and all of its subsidiaries. In addition, the Company's participation in joint arrangements classified as joint operations are accounted for in the interim condensed consolidated financial statements by reflecting, line by line, the Company's share of the assets held jointly, liabilities incurred jointly, and revenue and expenses arising from the joint operations. The interim condensed consolidated financial statements also include the Company's investment in and share of the earnings of projects accounted for using the equity method.

4. CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in a material adjustment to the carrying value of the asset or liability affected.

Critical accounting estimates are those that require management to make assumptions about matters that are highly uncertain at the time the estimate or assumption is made. Critical accounting estimates are also those that could potentially have a material impact on the Company's financial results were a different estimate or assumption used.

Estimates and underlying assumptions are reviewed on an ongoing basis. These estimates and assumptions are subject to change at any time based on experience and new information. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Except as disclosed, there have been no material changes to critical accounting estimates related to the below mentioned items in the past two fiscal years. Critical accounting estimates are also not specific to any one segment unless otherwise noted below.

The Company's significant accounting policies are described in Note 5, "*Summary of Significant Accounting Policies*" in the Company's annual consolidated financial statements for the year ended December 31, 2014. The following discussion is intended to describe those judgments and key assumptions concerning major sources of estimation uncertainty at the end of the reporting period that have the most significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

4.1 MAJOR SOURCES OF ESTIMATION UNCERTAINTY

REVENUE AND GROSS PROFIT RECOGNITION

Revenue and income from fixed price construction contracts, including contracts in which the Company participates through joint operations, are determined on the percentage of completion method, based on the ratio of costs incurred to date over estimated total costs. The Company has a process whereby progress on jobs is reviewed by management on a regular basis and estimated costs to complete are updated. However, due to unforeseen changes in the nature or cost of the work to be completed or performance factors, contract profit can differ significantly from earlier estimates.

The Company's estimates of contract revenue and cost are highly detailed. Management believes, based on its experience, that its current systems of management and accounting controls allow the Company to produce materially reliable estimates of total contract revenue and cost during any accounting period. However, many factors can and do change during a contract performance period, which can result in a change to contract profitability from one financial reporting period to another. Some of the factors that can change the estimate of total contract revenue and cost include differing site conditions (to the extent that contract remedies are unavailable), the availability of skilled contract labour, the performance of major material suppliers to deliver on time, the performance of major subcontractors, unusual weather conditions and the accuracy of the original bid estimate. Fixed price contracts are common across all of the Company's sectors, as are change orders and claims, and therefore these estimates are not unique to one core segment. Because the Company has many contracts in process at any given time, these changes in estimates can offset each other without impacting overall profitability. However, changes in cost estimates, which on larger, more complex construction projects can have a material impact on the Company's consolidated financial statements, are reflected in the results of operations when they become known.

A change order results from a change to the scope of the work to be performed compared to the original contract that was signed. Unpriced change orders are change orders that have been approved as to scope but unapproved as to price.
For such change orders, contract revenue is recognized to the extent of costs incurred or, if lower, to the extent to which

recovery is probable. Therefore, to the extent that actual costs recovered are different from expected cost recoveries, significant swings in revenue and profitability can occur from one reporting period to another.

Claims are amounts in excess of the agreed contract price, or amounts not included in the original contract price, that Aecon seeks to collect from clients or others for client-caused delays, errors in specifications and designs, contract terminations, change orders in dispute or unapproved as to both scope and price, or other causes of unanticipated additional costs. In accordance with the Company's accounting policy, claims are recognized in revenue only when resolution is probable. Therefore, it is possible for the Company to have substantial contract costs recognized in one accounting period with associated revenue recognized in a later period.

Given the above-noted critical accounting estimates associated with the accounting for construction contracts, including change orders and claims, it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year or later could be different from the estimates and assumptions adopted and could require a material adjustment to revenue and/or the carrying amount of the asset or liability affected. The Company is unable to quantify the potential impact to the consolidated financial results from a change in estimate in calculating revenue.

VALUES USED IN THE VALUATION OF DERIVATIVES AND FAIR VALUING FINANCIAL INSTRUMENTS

From time to time, the Company enters into forward contracts and other foreign exchange hedging products to manage its exposure to changes in exchange rates related to transactions denominated in currencies other than the Canadian dollar, but does not hold or issue such financial instruments for speculative trading purposes. The Company is required to measure certain financial instruments at fair value, using the most readily available market comparison data and where no such data is available, using quoted market prices of similar assets or liabilities, quoted prices in markets that are not active, or other observable inputs that can be corroborated.

Estimates relating to the valuation of financial instruments that are not traded in an active market and which have fair values determined using valuation techniques, such as the embedded derivatives within the Company's convertible debentures, involve the most significant area of fair value estimation. As explained in Note 16 *"Convertible Debentures,"* some of the Company's convertible debentures contain an embedded derivative that must be measured at fair value at each reporting date with gains and losses in fair value recognized through profit or loss. The fair value of the embedded derivative is determined using the quoted market price of the convertible debentures, along with market based inputs, to fair value the debt and the embedded derivative components of the instruments. Two of the most significant assumptions impacting the Company's valuation of these embedded derivatives are the implied volatility and credit spread inputs.

Further information with regard to the treatment of the Company's convertible debentures and other financial instruments, including the impact of a change in implied volatility and credit spread inputs, can be found in Note 16 *"Convertible Debentures"* and Note 26 *"Financial Instruments."*

MEASUREMENT OF RETIREMENT BENEFIT OBLIGATIONS

The Company's obligations and expenses related to defined benefit pension plans, including supplementary executive retirement plans, are determined using actuarial valuations and are dependent on many significant assumptions. The defined benefit obligations and benefit cost levels will change as a result of future changes in actuarial methods and assumptions, membership data, plan provisions, legislative rules, and future experience gains or losses, which have not been anticipated at this time. Emerging experience, differing from assumptions, will result in gains or losses that will be disclosed in future accounting valuations. Refer to Note 20, "*Employee Benefit Plans*," in the Company's annual consolidated financial statements for the year ended December 31, 2014, for further details regarding the Company's defined benefit plans as well as the impact to the financial results of a 0.5% change in the discount rate assumption used in the calculations.

INCOME TAXES

The Company is subject to income taxes in both Canada and several foreign jurisdictions. Significant estimates and judgments are required in determining the Company's worldwide provision for income taxes. In the ordinary course of business, there are transactions and calculations where the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Management estimates income taxes for each jurisdiction the Company operates in, taking into consideration different

income tax rates, non-deductible expenses, valuation allowances, changes in tax laws, and management's expectations of future results. Management bases its estimates of deferred income taxes on temporary differences between the assets and liabilities reported in the Company's consolidated financial statements, and the assets and liabilities determined by the tax laws in the various countries in which the Company operates. Although the Company believes its tax estimates are reasonable, there can be no assurance that the final determination of any tax audits and litigation will not be materially different from that reflected in the Company's historical income tax provisions and accruals. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the Company's income tax expense and current and deferred income tax assets and liabilities in the period in which such determinations are made. Although management believes it has adequately provided for any additional taxes that may be assessed as a result of an audit or litigation, the occurrence of either of these events could have an adverse effect on the Company's current and future results and financial condition.

The Company is unable to quantify the potential future impact to its consolidated financial results from a change in estimate in calculating income tax assets and liabilities.

IMPAIRMENT OF GOODWILL AND OTHER INTANGIBLE ASSETS
Intangible assets with finite lives are amortized over their useful lives. Goodwill, which has an indefinite life, is not amortized. Management evaluates intangible assets that are not amortized at the end of each reporting period to determine whether events and circumstances continue to support an indefinite useful life. Intangible assets with finite lives are tested for impairment whenever events or circumstances indicate the carrying value may not be recoverable. Goodwill and intangible assets with indefinite lives, if any, are tested for impairment by applying a fair value test in the fourth quarter of each year and between annual tests if events occur or circumstances change, which suggest the goodwill or intangible assets should be evaluated.

Impairment assessments inherently involve management judgment as to the assumptions used to project these amounts and the impact of market conditions on those assumptions. The key assumptions used to estimate the fair value of reporting units under the fair value less cost to disposal approach are: weighted average cost of capital used to discount the projected cash flows; cash flows generated from new work awards; and projected operating margins.

The weighted average cost of capital rates used to discount projected cash flows are developed via the capital asset pricing model, which is primarily based on market inputs. Management uses discount rates it believes are an accurate reflection of the risks associated with the forecasted cash flows of the respective reporting units.

To develop the cash flows generated from project awards and projected operating margins, the Company tracks prospective work primarily on a project-by-project basis as well as the estimated timing of when new work will be bid or prequalified, started and completed. Management also gives consideration to its relationships with prospective customers, the competitive landscape, changes in its business strategy, and the Company's history of success in winning new work in each reporting unit. With regard to operating margins, consideration is given to historical operating margins in the end markets where prospective work opportunities are most significant, and changes in the Company's business strategy.

Unanticipated changes in these assumptions or estimates could materially affect the determination of the fair value of a reporting unit and, therefore, could reduce or eliminate the excess of fair value over the carrying value of a reporting unit entirely and could potentially result in an impairment charge in the future.

Refer to Note 13, "*Intangible Assets*", in the Company's annual consolidated financial statements for the year ended December 31, 2014, for further details regarding goodwill as well as the impact on the financial results of a change in the assumptions used in the impairment assessment calculations.

4.2 JUDGMENTS
The following are critical judgments management has made in the process of applying accounting policies and that have the most significant effect on how certain amounts are reported in the consolidated financial statements.

BASIS FOR CONSOLIDATION AND CLASSIFICATION OF JOINT ARRANGEMENTS

Assessing the Company's ability to control or influence the relevant financial and operating policies of another entity may, depending on the facts and circumstances, require the exercise of significant judgment to determine whether the Company controls, jointly controls, or exercises significant influence over the entity performing the work. This assessment of control impacts how the operations of these entities are reported in the Company's consolidated financial statements (i.e., full consolidation, equity investment or proportional share).

The Company performs the majority of its construction projects through wholly owned subsidiary entities, which are fully consolidated. However, a number of projects, particularly some larger, multi-year, multi-disciplinary projects, are executed through partnering agreements. As such, the classification of these entities as a subsidiary, joint operation, joint venture, associate or financial instrument requires judgment by management to analyze the various indicators that determine whether control exists. In particular, when assessing whether a joint arrangement should be classified as either a joint operation or a joint venture, management considers the contractual rights and obligations, voting shares, share of board members and the legal structure of the joint arrangement. Subject to reviewing and assessing all the facts and circumstances of each joint arrangement, joint arrangements contracted through agreements and general partnerships would generally be classified as joint operations whereas joint arrangements contracted through corporations would be classified as joint ventures. The majority of the current partnering agreements are classified as joint operations.

The application of different judgments when assessing control or the classification of joint arrangements could result in materially different presentations in the consolidated financial statements.

DISCONTINUED OPERATIONS

The determination of whether a component of the Company, that either has been disposed of or is classified as held for sale, should be classified as a discontinued operation requires the exercise of judgment by management. The classification can have a significant impact on the presentation in the consolidated financial statements. In the second quarter of 2015, IST was sold (see Note 22, "*Other Income (Loss)*") and the Quito International Airport concessionaire ("Quiport") was classified as an asset held for sale (see Note 8 "*Investment in Joint Venture Classified as Held For Sale*"). In management's judgment, neither of these two operations meet the criteria for classification as discontinued operations. In making such determinations, management examined all the lines of business the Company currently operates in, and the geographic markets the Company participates in. With respect to IST, the Company continues to operate various in-plant construction, fabrication and module assembly operations within the Energy segment and throughout Canada. Regarding Quiport, the Concessions segment continues its role of investing, developing, financing, operating and maintaining infrastructure projects by way of contractual structures in the global marketplace for public-private partnerships ("P3").

5. TRADE AND OTHER RECEIVABLES

	September 30 2015	December 31 2014
Trade receivables	$ 424,044	$ 277,972
Allowance for doubtful accounts	(1,752)	(1,854)
	422,292	276,118
Holdbacks receivable	205,572	186,267
Other	5,839	6,561
	211,411	192,828
Total	$ 633,703	$ 468,946
Amounts receivable beyond one year	$ 62,324	$ 76,471

A reconciliation of the beginning and ending carrying amounts of the Company's allowance for doubtful accounts is as follows:

	September 30 2015	December 31 2014
Balance - beginning of period	$ (1,854)	$ (1,933)
Additional amounts provided for during period	(185)	(1,487)
Trade receivables written off during period	-	23
Amounts recovered	287	1,543
Balance - end of period	$ (1,752)	$ (1,854)

6. UNBILLED REVENUE AND DEFERRED REVENUE

Costs incurred and estimated earnings (i.e., earned revenue), net of billings, on uncompleted contracts is presented in the consolidated balance sheets under the following captions:

	September 30 2015	December 31 2014
Earned revenue on projects to date	$ 6,147,416	$ 5,834,542
Less: Billings on projects to date	5,931,505	5,651,257
Net consolidated balance sheet position	$ 215,911	$ 183,285
Reported as:		
Unbilled revenue	$ 395,815	$ 301,402
Deferred revenue	(179,904)	(118,117)
	$ 215,911	$ 183,285

7. INVENTORIES

	September 30 2015	December 31 2014
Raw materials and supplies	$ 6,415	$ 8,072
Finished goods	22,340	23,214
	$ 28,755	$ 31,286

8. INVESTMENT IN JOINT VENTURE CLASSIFIED AS HELD FOR SALE

On June 8, 2015, the Company signed agreements with Grupo Odinsa S.A., and CCR S.A., to sell its 45.5% interest in the Quito International Airport concessionaire, Corporacion Quiport S.A.("Quiport"), for US$232,600. The transaction remains subject to formal approval by lenders to Quiport. The financial results of Quiport are reported in the Concessions segment.

As Aecon's investment in Quiport is expected to be recovered through this sale transaction, this investment is presented, on a prospective basis as an asset "held for sale" on the consolidated balance sheets (September 30, 2015 - $243,537). In addition, equity accounting ceased from the point the joint venture was classified as held for sale (June 8, 2015).

		September 30 2015
Cash and cash equivalents	$	22,066
Other current assets		21,035
Total current assets		43,101
Non-current assets		439,122
Total assets		482,223
Trade and other payables and provisions		15,881
Other current financial liabilities		15,349
Total current liabilities		31,230
Non-current financial liabilities		124,167
Other non-current liabilities		83,289
Total non-current liabilities		207,456
Total liabilities		238,686
Net assets	$	243,537

As at September 30, 2015, $41,681 of cumulative translation gains were recognized directly in equity related to the assets held for sale.

9. PROJECTS ACCOUNTED FOR USING THE EQUITY METHOD

The Company performs some construction and concession related projects through non-consolidated entities. The Company's participation in these entities is conducted through joint ventures and associates and is accounted for using the equity method. The Company's joint ventures and associates are private entities and there is no quoted market price available for their shares.

The summarized financial information below reflects the Company's share of the amounts presented in the financial statements of joint ventures and associates:

	September 30, 2015			December 31, 2014		
	Joint Ventures	Associates	**Total**	Joint Ventures	Associates	Total
Cash and cash equivalents	$ 82,087	$ 11,799	**$ 93,886**	$ 2,290	$ 5,452	$ 7,742
Other current assets	154,252	5,342	**159,594**	56,841	17,780	74,621
Total current assets	236,339	17,141	**253,480**	59,131	23,232	82,363
Non-current assets	8,646	15	**8,661**	418,294	1,248	419,542
Total assets	244,985	17,156	**262,141**	477,425	24,480	501,905
Trade and other payables and provisions	21,488	5,529	**27,017**	20,588	7,539	28,127
Other current financial liabilities	475	-	**475**	15,090	43	15,133
Total current liabilities	21,963	5,529	**27,492**	35,678	7,582	43,260
Non-current financial liabilities	201,571	-	**201,571**	134,571	-	134,571
Other non-current liabilities	979	-	**979**	78,347	-	78,347
Total non-current liabilities	202,550	-	**202,550**	212,918	-	212,918
Total liabilities	224,513	5,529	**230,042**	248,596	7,582	256,178
Net assets	$ 20,472	$ 11,627	**$ 32,099**	$ 228,829	$ 16,898	$ 245,727

	For the three months ended					
	September 30, 2015			September 30, 2014		
	Joint Ventures	Associates	**Total**	Joint Ventures	Associates	**Total**
Revenue	$ 119,004	$ 8,613	**$ 127,617**	$ 34,095	$ 11,901	$ 45,996
Depreciation and amortization	(100)	-	**(100)**	(3,599)	-	(3,599)
Other costs	(112,758)	(8,495)	**(121,253)**	(18,824)	(11,714)	(30,538)
Operating profit	6,146	118	**6,264**	11,672	187	11,859
Finance costs	(1,492)	-	**(1,492)**	(2,945)	-	(2,945)
Income tax (expense) recovery	(860)	-	**(860)**	(266)	-	(266)
Non-controlling interest	-	-	**-**	(492)	-	(492)
Profit for the period	3,794	118	**3,912**	7,969	187	8,156
Other comprehensive (loss) income	- (972)	-	**(972)**	6,910	-	6,910
Total comprehensive income	$ 2,822	$ 118	**$ 2,940**	$ 14,879	$ 187	$ 15,066

	For the nine months ended					
	September 30, 2015			September 30, 2014		
	Joint Ventures	Associates	**Total**	Joint Ventures	Associates	Total
Revenue	$ 176,030	$ 18,273	**$ 194,303**	$ 73,904	$ 40,350	$ 114,254
Depreciation and amortization	(6,946)	-	**(6,946)**	(10,839)	-	(10,839)
Other costs	(141,414)	(17,544)	**(158,958)**	(33,224)	(37,754)	(70,978)
Operating profit	27,670	729	**28,399**	29,841	2,596	32,437
Finance costs	(7,288)	-	**(7,288)**	(9,016)	-	(9,016)
Income tax expense (recovery)	(1,021)	-	**(1,021)**	(71)	-	(71)
Non-controlling interest	(958)	-	**(958)**	(1,294)	-	(1,294)
Profit for the period	18,403	729	**19,132**	19,460	2,596	22,056
Other comprehensive income	14,133	-	**14,133**	10,072	-	10,072
Total comprehensive income	$ 32,536	$ 729	**$ 33,265**	$ 29,532	$ 2,596	$ 32,128

The movement in the investment in projects accounted for using the equity method is as follows:

	For the nine months ended	For the year ended
	September 30 2015	December 31 2014
Projects accounted for using the equity method - beginning of period	**$ 245,727**	$ 232,467
Share of profit for the period	**19,132**	32,995
Share of other comprehensive income for the period	**14,133**	19,437
Transfer to investment in joint venture classified as held for sale	**(243,537)**	-
Distributions from projects accounted for using the equity method	**(3,356)**	(39,172)
Projects accounted for using the equity method - end of period	**$ 32,099**	$ 245,727

10. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and leasehold improvements	Aggregate properties	Machinery and construction equipment	Office equipment, furniture and fixtures, and computer hardware	Vehicles	Heavy equipment	Total
Cost								
Balance as at January 1, 2015	$ 34,441	$ 91,089	$ 53,384	$ 252,878	$ 30,141	$ 67,170	$ 259,393	**$ 788,496**
Additions	-	721	-	17,162	3,030	6,451	8,796	**36,160**
Disposals	(869)	(6,360)	(116)	(22,345)	(4,796)	(5,154)	(2,879)	**(42,519)**
Balance as at September 30, 2015	$ 33,572	$ 85,450	$ 53,268	$ 247,695	$ 28,375	$ 68,467	$ 265,310	**$ 782,137**
Accumulated depreciation and impairment								
Balance as at January 1, 2015	-	34,952	13,659	124,357	20,101	44,886	57,433	**295,388**
Depreciation	-	4,140	925	25,174	3,178	6,612	7,029	**47,058**
Disposals	-	(4,428)	(116)	(16,572)	(4,335)	(4,843)	(1,140)	**(31,434)**
Balance as at September 30, 2015	$ -	$ 34,664	$ 14,468	$ 132,959	$ 18,944	$ 46,655	$ 63,322	**$ 311,012**
Net book value as at September 30, 2015	**$ 33,572**	**$ 50,786**	**$ 38,800**	**$ 114,736**	**$ 9,431**	**$ 21,812**	**$ 201,988**	**$ 471,125**
Net book value as at January 1, 2015	**$ 34,441**	**$ 56,137**	**$ 39,725**	**$ 128,521**	**$ 10,040**	**$ 22,284**	**$ 201,960**	**$ 493,108**
Net book value of assets under finance lease as at September 30, 2015	**$ -**	**$ -**	**$ 75**	**$ 49,035**	**$ 380**	**$ 18,549**	**$ 25,222**	**$ 93,261**

11. INTANGIBLE ASSETS

	Goodwill	Licences, software and other rights	Total
Cost			
Balance as at January 1, 2015	$ 52,574	$ 55,738	$ 108,312
Additions			
Acquired separately	-	18,726	18,726
Interest capitalized	-	1,070	1,070
Disposals (a)	(3,201)	(904)	(4,105)
Balance as at September 30, 2015	**49,373**	**74,630**	**124,003**
Accumulated amortization and impairment			
Balance as at January 1, 2015	-	9,818	9,818
Amortization	-	3,952	3,952
Disposals	-	(887)	(887)
Balance as at September 30, 2015	**$ -**	**12,883**	**12,883**
Net book value as at September 30, 2015	**$ 49,373**	**61,747**	**111,120**
Net book value as at January 1, 2015	**$ 52,574**	**$ 45,920**	**$ 98,494**

Amortization of intangible assets is included in the depreciation and amortization expense line item on the consolidated statements of income.

(a) Refer to Note 22 *"Other Income (Loss)"* for further information on the reduction of goodwill resulting from the sale of IST.

12. BANK INDEBTEDNESS

The Company maintains a committed revolving credit facility of $400,000 (December 31, 2014 - $300,000). Bank indebtedness as at September 30, 2015 of $129,465 (December 31, 2014 – $nil) represents borrowings on the Company's revolving credit facility. Letters of credit amounting to $57,169 were also issued against the credit facility as at September 30, 2015 (December 31, 2014 - $41,367). Cash drawings under the facility bear interest rates between prime and prime plus 1.2% per annum. Letters of credit reduce the amount available-for-use under the facility. In 2015, the expiry date of the facility was extended to March 2019 and the amount available under the facility was increased from $300,000 to $400,000.

The Company also maintains an additional letter of credit facility (a $500,000 facility, up from $250,000 as at December 31, 2014) provided by Export Development Canada of which $231,486 was utilized as at September 30, 2015 (December 31, 2014 - $161,833).

13. TRADE AND OTHER PAYABLES

	September 30 2015	December 31 2014
Trade payables and accrued liabilities	$ 500,195	$ 441,275
Holdbacks payable	79,337	73,125
	$ 579,532	$ 514,400
Amounts payable beyond one year	$ 16,337	$ 14,046

14. PROVISIONS

	Contract related obligations	Asset decommissioning costs	Tax assessments	Other	Total
Balance as at January 1, 2015	$ 7,105	$ 3,222	$ 8,016	$ 4,401	$ 22,744
Additions made	840	151	-	418	1,409
Amounts used	(1,172)	(53)	(828)	(2,123)	(4,176)
Unused amounts reversed	(916)	-	-	-	(916)
Notional interest	217	96	-	-	313
Balance at September 30, 2015	**$ 6,074**	**$ 3,416**	**$ 7,188**	**$ 2,696**	**$ 19,374**
Reported as:					
Current	**$ 2,103**	**$ -**	**$ 7,188**	**$ 2,594**	**$ 11,885**
Non-current	**3,971**	**3,416**	**-**	**102**	**7,489**
	$ 6,074	**$ 3,416**	**$ 7,188**	**$ 2,696**	**$ 19,374**

15. LONG-TERM DEBT

	September 30 2015	December 31 2014
Long-term debt:		
Finance leases	**$ 79,905**	$ 91,648
Equipment and other loans	**89,041**	105,190
Total long-term debt	**$ 168,946**	$ 196,838
Reported as:		
Current liabilities:		
Long-term debt	**$ 66,245**	$ 83,226
Non-current liabilities:		
Long-term debt	**102,701**	113,612
	$ 168,946	$ 196,838

16. CONVERTIBLE DEBENTURES

Convertible subordinated debentures consist of:

	September 30 2015	December 31 2014
Debt component:		
Debenture maturing on October 31, 2015	**$ 91,969**	$ 90,643
Debenture maturing on December 31, 2018	**160,058**	157,291
	252,027	247,934
Embedded derivative component:		
Debenture maturing on October 31, 2015	**1**	173
	1	173
Total convertible debentures	**$ 252,028**	$ 248,107
Reported as:		
Current liabilities		
Convertible debentures	**$ 91,970**	$ 90,816
Non-current liabilities:		
Convertible debentures	**160,058**	157,291
	$ 252,028	$ 248,107

	September 30 2015	December 31 2014
Equity component:		
Debenture maturing on December 31, 2018	**$ 8,674**	$ 8,674

For the 2015 convertible debentures, the Company has the option, subject to the prior agreement of the holders, to settle its obligations on conversion by way of a cash payment of equal value. Due to this cash settlement feature under IAS 32, "*Financial Instruments: Presentation,"* these convertible debentures are accounted for as a compound instrument with two components: a debt component and a derivative component, the latter representing the fair value of the conversion option offered to the debenture holders. Both the debt and embedded derivative components of these compound financial instruments are measured at fair value on initial recognition. The debt component is subsequently accounted for at amortized cost using the effective interest rate method. The embedded derivative is subsequently measured at fair value at each reporting date with gains and losses in fair value recognized through profit or loss.

Interest expense on the debentures is composed of the interest calculated on the face value of the debentures and notional interest representing the accretion of the carrying value of the debentures.

Subsequent to quarter end on October 31, 2015, $92,000 of convertible debentures matured and were repaid in full in cash.

	For the three months ended		For the nine months ended	
	September 30 2015	September 30 2014	**September 30 2015**	September 30 2014
Interest expense on face value	**$ (3,809)**	$ **(6,828)**	**$ (11,428)**	$ **(20,549)**
Notional interest representing accretion	**(1,370)**	**(2,890)**	**(4,094)**	**(7,875)**
Fair value gain on convertible debentures	**33**	**8,723**	**172**	**9,320**
	$ (5,146)	$ **(995)**	**$ (15,350)**	$ **(19,104)**

17. INCOME TAXES

	For the nine months ended	
	September 30 2015	September 30 2014
Profit (loss) before income taxes	**$ 34,937**	$ (1,524)
Statutory income tax rate	**26.09%**	25.75%
Expected income tax (expense) recovery	**(9,115)**	393
Effect on income taxes of:		
Projects accounted for using the equity method	**4,282**	4,890
Provincial and foreign rate differences	**229**	(707)
Non-deductible notional interest	**(173)**	(732)
Non-deductible stock-based compensation expense	**(10,413)**	(169)
Other non-deductible expenses	**(254)**	(738)
Tax-exempt portion of capital gains	**1,481**	-
	(4,848)	2,544
Income tax (expense) recovery	**$ (13,963)**	$ 2,937

18. EMPLOYEE BENEFIT PLANS

Employee future benefit expenses for the period are as follows:

	For the three months ended		For the nine months ended	
	September 30 2015	September 30 2014	**September 30 2015**	September 30 2014
Defined benefit pension expense:				
Company sponsored pension plans	**$ 233**	$ 269	**$ 699**	$ 808
Defined contribution pension expense:				
Company sponsored pension plans	**1,559**	1,544	**4,562**	4,376
Multi-employer pension plans	**24,265**	18,115	**59,662**	43,891
Total employee future benefit expenses	**$ 26,057**	$ 19,928	**$ 64,923**	$ 49,075

19. CONTINGENCIES

The Company is involved in various disputes and litigation both as plaintiff and defendant. In the opinion of management, the resolution of disputes against the Company, including those provided for (see Note 14, *"Provisions"*), will not result in a material effect on the consolidated financial position of the Company.

As part of regular operations, the Company has the following guarantees and letters of credit outstanding:

Guarantees and letters of credit	Project	September 30 2015	December 31 2014
Guarantees:			
Surety bonds, guaranteed joint and severally, to cover construction and concession related performance obligations, advance payment bond and retention release bond	Quito Airport Project	$ 124,944	$ 108,616
Letters of credit:			
In support of various project contingencies	Quito Airport Project	$ 23,677	$ 20,582
Financial and performance - issued in the normal conduct of business	Various	$ 284,409	$ 199,509

Under the terms of many of the Company's associate and joint arrangement contracts with project owners, each of the partners is jointly and severally liable for performance under the contracts. As at September 30, 2015, the value of uncompleted work for which the Company's associate and joint arrangement partners are responsible, and which the Company could be responsible for assuming, amounted to approximately $4,696,444 (December 31, 2014 - $1,248,525), a substantial portion of which is supported by performance bonds. In the event the Company assumed this additional work, it would have the right to receive the partner's share of billings to the project owners pursuant to the respective associate or joint arrangement contract.

20. CAPITAL STOCK

	For the three months ended September 30, 2015		For the year ended December 31, 2014	
	Number	**Amount**	**Number**	**Amount**
Number of common shares outstanding - beginning of period	**56,132,175**	**$ 324,287**	52,868,007	$ 286,747
Common shares issued on exercise of share options	-	-	268,332	3,908
Common shares sold by the Trust of the long-term incentive plan ("LTIP")	-	-	2,413,449	26,477
Transfers by the Trust to settle LTIP obligations	237,040	2,791	583,492	7,162
Common shares cancelled	-	-	(1,368)	(12)
Common shares issued on conversion of debentures	-	-	263	5
Shares issued to settle LTIP/Director DSU obligations	88,659	1,202	-	-
Number of common shares outstanding - end of period	**56,457,874**	**$ 328,280**	56,132,175	$ 324,287

The Company is authorized to issue an unlimited number of common shares. The Company's shares have no par value. Including 78,496 (December 31, 2014 – 315,356) common shares held by the LTIP Trust, the total number of common shares outstanding as at September 30, 2015 is 56,536,370 (December 31, 2014 - 56,447,711).

STOCK−BASED COMPENSATION

Long-Term Incentive Plan

In 2005 and 2014, the Company adopted Long-Term Incentive Plans (collectively "LTIP" or individually "2005 LTIP" or "2014 LTIP") to provide a financial incentive for its senior executives to devote their efforts to the long-term success of the Company's business. Awards to participants are based on the financial results of the Company and are made in the form of Deferred Share Units ("DSUs") or in the form of Restricted Share Units ("RSUs"). Awards made in the form of DSUs will vest only on the retirement or termination of the participant. Awards made in the form of RSUs will vest annually over three years. Compensation charges related to the LTIP are expensed over the estimated vesting period of the awards in marketing, general and administrative expenses. Awards made to individuals who are eligible to retire under the plan are assumed, for accounting purposes, to vest immediately.

In the second quarter of 2015, shareholder approval was received to settle all outstanding LTIP obligations under both the 2005 LTIP and 2014 LTIP through the issuance of common shares from treasury. As a consequence of this approval, all the LTIP and Director DSUs were reclassified for accounting purposes from a cash-settled plan to an equity-settled plan resulting in a decrease in accrued liabilities and an increase in contributed surplus of $32,437 and $1,569, respectively. Expenses in respect of equity-settled stock-based payment transactions continue to be recognized over the estimated vesting period of the awards. New equity-settled share-based payment transactions are measured at the grant date fair value. Expenses in respect of LTIP awards outstanding at the time the plan was reclassified to an equity-settled plan are recognized over the estimated vesting period of the awards based on the share price on the date the LTIP was classified as an equity-settled plan. Equity-settled share-based payment transactions are not remeasured once the grant date fair value has been determined.

Previously, expenses in respect of cash-settled stock-based payment transactions were recognized over the estimated vesting period of the awards, however, the fair value of the liability was also remeasured at each reporting date until settled. Changes in fair value were recognized in other income (loss) in the consolidated statements of income.

The LTIP Trust held 78,496 common shares as at September 30, 2015 (December 31, 2014 – 315,536 shares). The Company has determined it holds a beneficial interest in the activities of the Trust that requires consolidation by the

Company in accordance with IFRS 10 "*Consolidated Financial Statements*." Accordingly, as at September 30, 2015, share capital was reduced by $164 (December 31, 2014 - $2,956) and accrued liabilities increased by the same amount.

For the three and nine months ended September 30, 2015, the Company recorded LTIP compensation charges of $2,687 (2014 - $2,235) and $9,565 (2014 - $6,926), respectively, and other loss of $47 (2014 – gain $927) and $6,055 (2014 – gain $927) representing changes in fair value of the liability related to cash-settled stock-based payment transactions.

Other derivatives

The Company has utilized total return swaps ("TRS") to reduce the variability of cash flows and, to a lesser extent, earnings associated with stock-based compensation awards that will settle in cash, namely, the DSUs and RSUs associated with the 2014 LTIP. The TRS do not qualify as accounting hedges and, therefore, the fair value adjustment at the end of each reporting period is recognized in other income (loss) in the consolidated statements of income. Each TRS had a term of one year or less, but each contract allowed for partial settlements, at the option of the Company, over the term and without penalty.

In 2014, the Company entered into TRS contracts covering 2.4 million of the Company's underlying common shares. As at September 30, 2015, none of the TRS contracts were outstanding. For the three and nine months ended September 30, 2015, the Company recognized a loss of $2,124 (2014 – loss $1,569) and gain of $2,691 (2014 loss - $1,569), respectively, in other income (loss) related to the revaluation of the TRS contracts.

Stock option plans

The aggregate number of common shares that can be issued under the 2005 Stock Option Plan shall not exceed 5,000,000. Each share option issuance under the 2005 Stock Option Plan specifies the period during which the share option thereunder is exercisable (which in no event shall exceed ten years from the date of grant) and the date the share option will expire. The Company's Board of Directors determines the vesting period on the dates of share option grants. The exercise price of share option grants equals the market price of the common shares on the grant date. The Company issues common shares on exercise of the options.

Details of common shares issued on the exercise of share options as well as details of changes in the balance of options outstanding are detailed below:

	For the nine months ended September 30, 2015			For the year ended December 31, 2014		
	Number of share options		**Weighted average exercise price**	Number of share options		Weighted average exercise price
Balance outstanding - beginning of period	**500,000**	**$**	**11.47**	768,332	$	11.27
Forfeited/expired	**(50,000)**		**10.41**	-		-
Exercised	**-**		**-**	(268,332)		10.91
Balance outstanding - end of period	**450,000**		**11.59**	500,000		11.47
Options exercisable - end of period	**450,000**	**$**	**11.59**	500,000	$	11.47

Share options outstanding as at September 30, 2015 had the following exercise prices and expiry dates:

Share options granted in	Number of shares		Exercise price	Expiry date
2011	130,000	$	9.66	March 11, 2016
2012	140,000		12.95	March 7, 2017
2013	180,000		11.92	March 14, 2018
	450,000	$	11.59	

Unless subsequently modified, all option grants have a term of five years from the date of grant and vest immediately or over a three-year period.

Other stock-based compensation – Director DSU awards

In May 2014, the Board of Directors modified the director compensation program by replacing stock option grants to non-management directors with a director deferred share unit plan (the "Director DSU Plan"). A DSU is a right to receive an amount from the Company equal to the value of one common share. Commencing in 2014, directors have the option of receiving up to 50% of their annual retainer fee, that is otherwise payable in cash, in the form of DSUs pursuant to the Director DSU Plan. The number of DSUs awarded to a director is equal to the value of the compensation that a director elects to receive in DSUs or the value awarded by the Company on an annual basis divided by the volume weighted average trading price of a common share on the TSX for the five trading days prior to the date of the award. DSUs are redeemable on the first business day following the date the director ceases to serve on the Board.

As equity settled awards, Director DSUs are expensed in full on the date of grant and recognized in marketing, general and administrative expenses in the consolidated statements of income. Director DSUs have accompanying dividend equivalent rights, which are also expensed as earned in marketing, general and administrative expenses.

For the three and nine months ended September 30, 2015, the Company recorded Director DSU compensation charges of $13 (2014 - $2) and $732 (2014 - $808), respectively.

Details of the changes in the balance of LTIP awards and Directors DSUs outstanding are detailed below:

	For the nine months ended September 30, 2015			For the nine months ended September 30, 2015		
	LTIP Share Units		**Weighted Average Grant Date Fair Value Per Unit**	**Director DSU**		**Weighted Average Grant Date Fair Value Per Unit**
Balance outstanding - beginning of period	**3,267,266**	**$**	**11.62**	**46,936**	$	**16.80**
Granted	**966,679**		**11.66**	**73,804**		**11.52**
Dividend equivalent rights	**94,001**		**11.65**	**2,333**		**11.69**
Settled	**(584,835)**		**12.05**	**-**		**-**
Forfeited	**(11,161)**		**16.74**	**(66)**		**16.81**
Balance outstanding - end of period	**3,731,950**	**$**	**11.59**	**123,007**	$	**13.67**

Amounts included in contributed surplus in the consolidated balance sheets as at September 30, 2015 in respect of LTIP and Director DSUs were $34,427 (December 31, 2014 - $nil) and $1,657 (December 31, 2014 - $nil), respectively.

21. EXPENSES

	For the three months ended		For the nine months ended	
	September 30 2015	September 30 2014	**September 30 2015**	September 30 2014
Personnel	**$ 298,837**	$ 333,420	**$ 772,182**	$ 824,231
Subcontractors	**231,998**	196,301	**532,515**	463,506
Materials	**180,746**	135,880	**377,286**	288,752
Equipment costs	**79,089**	88,560	**183,981**	209,661
Depreciation of property, plant and equipment and amortization of intangible assets	**17,351**	15,287	**51,010**	46,251
Other expenses	**13,998**	24,265	**100,006**	55,078
Total expenses	**$ 822,019**	$ 793,713	**$ 2,016,980**	$ 1,887,479

Reported as:

	For the three months ended		For the nine months ended	
	September 30 2015	September 30 2014	**September 30 2015**	September 30 2014
Direct costs and expenses	**$ 766,864**	$ 744,122	**$ 1,840,877**	$ 1,718,708
Marketing, general and administrative expenses	**37,804**	34,304	**125,093**	122,520
Depreciation and amortization	**17,351**	15,287	**51,010**	46,251
Total expenses	**$ 822,019**	$ 793,713	**$ 2,016,980**	$ 1,887,479

22. OTHER INCOME (LOSS)

	For the three months ended		For the nine months ended	
	September 30 2015	September 30 2014	**September 30 2015**	September 30 2014
Loss on mark-to-market of LTIP program	**$ (2,171)**	$ (642)	**$ (3,363)**	$ (642)
Foreign exchange gain (loss)	**(646)**	(168)	**(765)**	404
Gain (loss) on sale of property, plant and equipment	**1,400**	(283)	**1,126**	(846)
Restructuring costs	**-**	-	**-**	(2,555)
Gain on sale of subsidiary	**-**	-	**14,140**	-
Total other income (loss)	**$ (1,417)**	$ (1,093)	**$ 11,138**	$ (3,639)

The net mark-to-market gain (loss) related to the long-term incentive plan ("LTIP") program results from remeasuring both the LTIP liability and related total return swaps, at fair value at the reporting dates. See Note 20, *"Capital Stock,"* for further details.

On April 10, 2015, the Company sold its wholly owned subsidiary, Innovative Steam Technologies Inc. ("IST"). Gross cash proceeds of the sale were $35,000, with potential additional proceeds over the following two years contingent on IST achieving certain earn-out conditions based on performance. For the nine months ended September 30, 2015, a gain of $14,140 was included in other income (loss) in the consolidated statements of income (2014 - $nil).

IST designs, engineers, manufactures and installs Once Through Steam Generators ("OTSGs") for the power generation and enhanced oil recovery industries. The financial results of IST are reported in the Energy segment.

Restructuring costs include a loss on disposal of a subsidiary of $2,555 in the first quarter of 2014 that resulted from the closure of the buildings business unit in Seattle within the Infrastructure segment. The resulting loss included a $1,209 writedown of goodwill and $1,346 of personnel and other closure costs.

23. FINANCE COSTS

	For the three months ended		For the nine months ended	
	September 30 2015	September 30 2014	**September 30 2015**	September 30 2014
Interest on long-term debt and debentures	**$ 6,117**	$ 10,464	**$ 17,709**	$ 30,655
Interest on finance leases	**717**	1,271	**2,795**	3,840
Interest on short-term debt	**962**	294	**2,265**	826
Notional interest on provisions	**128**	29	**313**	144
Total finance costs	**$ 7,924**	$ 12,058	**$ 23,082**	$ 35,465

24. EARNINGS PER SHARE

Details of the calculations of earnings per share are set out below:

	For the three months ended		For the nine months ended	
	September 30 2015	September 30 2014	**September 30 2015**	September 30 2014
Profit attributable to shareholders	**$ 25,580**	$ 39,528	**$ 20,974**	$ 1,413
Interest on convertible debentures, net of tax[1]	**3,865**	7,385	**11,582**	21,618
Fair value gain on convertible debentures, net of tax	**(24)**	(6,411)	**(128)**	(6,850)
Diluted net earnings	**$ 29,421**	$ 40,502	**$ 32,428**	$ 16,181
Average number of common shares outstanding	**56,408,328**	54,093,515	**56,289,145**	53,500,469
Effect of dilutive securities[1]				
Options	**32,956**	142,099	**25,171**	152,778
Convertible debentures[1]	**22,677,382**	28,584,308	**23,314,618**	27,810,665
Share awards in respect of long-term incentive plans	**3,854,956**	482,278	**3,854,956**	482,278
Weighted average number of diluted common shares outstanding	**82,973,622**	83,302,200	**83,483,890**	81,946,190
Basic earnings per share	**$ 0.45**	$ 0.73	**$ 0.37**	$ 0.03
Diluted earnings per share[1]	**$ 0.35**	$ 0.49	**$ 0.35**	$ 0.03

[1] When the impact of dilutive securities increases the earnings per share or decreases the loss per share, they are excluded for purposes of the calculation of diluted earnings per share.

25. SUPPLEMENTARY CASH FLOW INFORMATION

Change in other balances relating to operations

	For the nine months ended	
	September 30 2015	September 30 2014
Decrease (increase) in:		
Trade and other receivables	**$ (173,859)**	$ (86,336)
Unbilled revenue	**(99,022)**	(9,604)
Inventories	**(2,260)**	(3,793)
Prepaid expenses	**(2,189)**	2,384
Increase (decrease) in:		
Trade and other payables	**88,778**	22,354
Provisions	**(3,349)**	(1,525)
Deferred revenue	**69,243**	6,978
	$ (122,658)	$ (69,542)

Cash flows from interest

	For the nine months ended	
	September 30 2015	September 30 2014
Operating activities		
Cash interest paid	**$ (14,639)**	$ (26,475)
Cash interest received	**250**	959

	For the nine months ended	
	September 30 2015	September 30 2014
Non-cash transactions		
Property, plant and equipment acquired and financed by finance leases	**$ 14,105**	$ 12,650

26. FINANCIAL INSTRUMENTS

Fair value

In 2015, the Company entered into a cash flow hedge using foreign exchange forward contracts to hedge the foreign currency exposure on the expected proceeds from the sale of Quiport which is classified as an asset held for sale as at September 30, 2015 (see Note 8, "*Investment in Joint Venture Classified as Held For Sale*" for further details). As at September 30, 2015, U.S. dollar foreign exchange forward contracts totalling US$200,000 were outstanding with a fair value loss (before tax) of $19,854. The loss is recognized in accumulated other comprehensive income ("AOCI") in the consolidated balance sheets. No ineffectiveness was recognized in net income.

In addition to the above, from time to time, the Company enters into forward contracts and other foreign exchange hedging products to manage its exposure to changes in exchange rates related to transactions denominated in currencies other than the Canadian dollar, but does not hold or issue such financial instruments for speculative trading purposes. As at September 30, 2015, the Company had outstanding contracts to buy €265, sell US$22,421 and buy US$1,800 (December 31, 2014 – buy €272, sell US$12,491 and buy US$401) on which there was a net unrealized exchange loss of $1,918 (December 31, 2014 - loss of $593). The net unrealized exchange gain or loss represents the estimated amount the Company would have received/paid if it terminated the contracts at the end of the respective periods, and is included in other income (loss) in the consolidated statements of income.

IFRS 13 *"Fair Value Measurement"* enhances disclosures about fair value measurements. Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy is based on three levels of inputs. The first two levels are considered observable and the last unobservable. These levels are used to measure fair values as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

- Level 2 – Inputs, other than Level 1 inputs, that are observable for assets and liabilities, either directly or indirectly. Level 2 inputs include: quoted market prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table summarizes the fair value hierarchy under which the Company's financial instruments are valued.

	As at September 30, 2015			
	Total	**Level 1**	**Level 2**	**Level 3**
Financial assets (liabilities) measured at fair value:				
Convertible debentures - embedded derivative	$ (1)	$ -	$ -	$ (1)
Cash flow hedge	(20,826)		(20,826)	
Financial assets (liabilities) disclosed at fair value:				
Current portion of long-term debt	(69,878)	-	(69,878)	-
Long-term debt	(101,450)	-	(101,450)	-
Convertible debentures	(271,722)	(271,722)	-	-

As explained in Note 16, the 2015 convertible debentures contain an embedded derivative that must be measured at fair value at each reporting date with gains and losses in fair value recognized through profit or loss. The fair value of the

embedded derivative is determined using the quoted market price of the convertible debentures and apportioning the value between the debt and the embedded derivative components of the instruments. Two of the most significant assumptions impacting the Company's valuation of these embedded derivatives are the implied volatility and credit spread inputs. For the 2015 debentures, the Company used an implied volatility of 30.66% and a credit spread of 2.43%. A 1% change in the implied volatility factor would have changed the fair value of the embedded derivative by $1 and a 1% change in the credit spread factor would have changed the fair value of the embedded derivative by $107.

The fair value of the cash flow hedge is determined using the U.S./Canadian dollar foreign exchange on the last business day of the fiscal period.

Changes in the fair value of Level 3 financial instruments are as follows:

		September 30 2015
Convertible debentures - embedded derivatives - opening balance	$	(173)
Net gain recognized in income during the period		172
Convertible debentures - embedded derivatives - ending balance	$	**(1)**

During the nine-month period ended September 30, 2015, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

Risk management
The main risks arising from the Company's financial instruments are credit risk, liquidity risk, interest rate risk and currency risk. These risks arise from exposures that occur in the normal course of business and are managed on a consolidated Company basis.

Credit risk
Concentration of credit risk associated with accounts receivable, holdbacks receivable and unbilled revenue is limited by the Company's diversified customer base and its dispersion across different business and geographic areas.

As at September 30, 2015, the Company had $86,150 in trade receivables that were past due. Of this amount, $54,449 was over 60 days past due, against which the Company has recorded an allowance for doubtful accounts of $1,752.

Liquidity risk
Liquidity risk is the risk the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled in cash or another financial asset.

Contractual maturities for financial liabilities as at September 30, 2015 are as follows:

	Due within one year	Due between one and five years	Due after five years	Total undiscounted cash flows	Effect of interest	Carrying value
Bank indebtedness	$ -	$ 129,465	$ -	$ 129,465	$ -	$ 129,465
Trade and other payables	$ 563,195	$ 17,188	$ -	$ 580,383	$ (851)	$ 579,532
Finance leases	$ 33,733	$ 49,922	$ 70	$ 83,725	$ (3,820)	$ 79,905
Equipment and other loans	36,753	55,113	2,731	94,597	(5,556)	89,041
	70,486	105,035	2,801	178,322	(9,376)	168,946
Convertible debentures	92,000	172,500	-	264,500	(12,472)	252,028
Long-term financial liabilities	$ 162,486	$ 277,535	$ 2,801	$ 442,822	$ (21,848)	$ 420,974

Interest rate risk

The Company is exposed to interest rate risk on its short-term deposits and its long-term debt to the extent that its investments or credit facilities are based on floating rates of interest.

For the nine months ended September 30, 2015, a 1% increase or a 1% decrease in interest rates applied to the Company's variable rate long-term debt would not have a significant impact on net earnings or comprehensive income.

Currency risk

The Company operates internationally and is exposed to risk from changes in foreign currency rates. The Company is mainly exposed to fluctuations in the US dollar.

As at September 30, 2015, the sensitivity to profit or loss of a 10% change in the US dollar against the Canadian dollar to profit or loss for currency exposures other than those discussed above is $1,200. The sensitivity analysis includes foreign currency denominated monetary items but excludes all investments in joint ventures and hedges and adjusts their translation at year-end for the above 10% change in foreign currency rates.

27. CAPITAL DISCLOSURES

For capital management purposes, the Company defines capital as the aggregate of its shareholders' equity and debt. Debt includes the current and non-current portions of long-term debt (excluding non-recourse debt) and the current and non-current long-term debt components of convertible debentures.

Although the Company monitors capital on a number of bases, including liquidity and working capital, total debt (excluding non-recourse debt and drawings on the Company's credit facility presented as bank indebtedness) as a percentage of total capitalization (debt to capitalization percentage) is considered to be the most important metric in measuring the strength and flexibility of its consolidated balance sheets. As at September 30, 2015, the debt to capitalization percentage including convertible debentures as debt was 38% (December 31, 2014 – 40%). If the convertible debentures were to be excluded from debt and added to equity on the basis that they could be redeemed for equity, either at the Company's option or at the holder's option, then the adjusted debt to capitalization percentage would be 15% as at September 30,

2015 (December 31, 2014 – 18%). While the Company believes this debt to capitalization percentage is acceptable, because of the cyclical nature of its business, the Company will continue its current efforts to maintain a conservative capital position.

As at September 30, 2015, the Company complied with all of its financial debt covenants.

28. OPERATING SEGMENTS

Segment reporting is based on the Company's divisional operations. The breakdown by division mirrors the Company's internal reporting systems.

The Company operates in four principal segments within the construction and infrastructure development industry: Infrastructure, Energy, Mining and Concessions. The other costs and eliminations category in the summary below includes corporate costs and other activities not directly allocable to segments and also includes inter-segment eliminations.

For the three months ended September 30, 2015						
	Infrastructure	Energy	Mining	Concessions	Other and eliminations	**Total**
Consolidtaed Statements of income						
External customer revenue	$ 322,934	$ 339,538	$ 211,254	$ 1,217	$ -	**$ 874,943**
Inter-segment revenue	1,621	835	2,388	-	(4,844)	**-**
Total revenue	324,555	340,373	213,642	1,217	(4,844)	**874,943**
Which includes:						
Construction revenue	324,555	340,373	213,642	-	(4,844)	**873,726**
Concession revenue	-	-	-	1,217	-	**1,217**
Expenses	$ (300,679)	$ (321,951)	$ (195,345)	$ (1,350)	$ (2,694)	**$ (822,019)**
Which include:						
Depreciation and amortization	(4,321)	(3,768)	(6,505)	(20)	(2,737)	**(17,351)**
Other income (loss):						
Foreign exchange gain (loss)	$ (4)	$ (863)	$ 581	$ 183	$ (543)	**$ (646)**
Gain (loss) on sale of property, plant and equipment	2,039	114	(721)	-	(32)	**1,400**
Loss on mark-to-market of LTIP program	-	-	-	-	(2,171)	**(2,171)**
Income from projects accounted for using the equity method	$ 3,061	$ 22	$ -	$ 829	$ -	**$ 3,912**
Operating profit	$ 28,972	$ 17,695	$ 18,157	$ 879	$ (10,284)	**$ 55,419**
Finance income (cost):						
Finance income						**$ 306**
Finance cost						**(7,924)**
Fair value gain on convertible debentures						**33**
Profit before income taxes						**$ 47,834**
Income tax expense						**(22,254)**
Profit for the period						**$ 25,580**

	Infrastructure	Energy	Mining	Concessions	Other and eliminations	**Total**
Consolidated Balance sheets						
Segment assets	$ 861,458	$ 478,216	$ 445,867	$ 264,406	$ 56,765	**$ 2,106,712**
Which include:						
Projects accounted for using the equity method	25,110	1,048	5,864	77	-	**32,099**
Investment in joint venture classified as held for sale	-	-	-	243,537	-	**243,537**
Segment liabilities	$ 648,033	$ 83,917	$ 280,764	$ 189,856	$ 207,399	**$ 1,409,969**
Additions to non-current assets:						
Property, plant and equipment	$ 5,372	$ 6,154	$ 6,713	$ -	$ 1,088	**$ 19,327**
Intangible assets	$ -	$ -	$ -	$ -	$ 5,647	**$ 5,647**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

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

									For the nine months ended September 30, 2015			
		Infrastructure		**Energy**		**Mining**		**Concessions**		**Other and eliminations**		**Total**
Consolidated Statements of Income												
External customer revenue	$	662,990	$	884,850	$	493,424	$	2,511	$	-	**$**	**2,043,775**
Inter-segment revenue		2,408		5,158		5,506		-		(13,072)		**-**
Total revenue		665,398		890,008		498,930		2,511		(13,072)		**2,043,775**
Which includes:												
Construction revenue		665,398		890,008		498,930		-		(13,072)		**2,041,264**
Concession revenue		-		-		-		2,511		-		**2,511**
Expenses	$	(660,517)	$	(874,840)	$	(463,013)	$	(6,636)	$	(11,974)	**$**	**(2,016,980)**
Which include:												
Depreciation and amortization		(12,507)		(11,510)		(20,126)		(61)		(6,806)		**(51,010)**
Other income (loss):												
Foreign exchange gain (loss)	$	(45)	$	(1,229)	$	785	$	507	$	(783)	**$**	**(765)**
Gain on sale of subsidiary		-		14,140		-		-		-		**14,140**
Gain (loss) on sale of property, plant and equipment		2,807		489		(2,102)		-		(68)		**1,126**
(Loss) on mark-to-market of LTIP program		-		-		-		-		(3,363)		**(3,363)**
Income from projects accounted for using the equity method	$	4,023	$	78	$	298	$	14,733	$	-	**$**	**19,132**
Operating profit	$	11,666	$	28,646	$	34,898	$	11,115	$	(29,260)	**$**	**57,065**
Finance income (cost):												
Finance income											**$**	**782**
Finance costs												**(23,082)**
Fair value gain on convertible debentures												**172**
Profit before income taxes											**$**	**34,937**
Income tax expense												**(13,963)**
Profit for the period											**$**	**20,974**

		Infrastructure		**Energy**		**Mining**		**Concessions**		**Other and eliminations**		**Total**
Consolidated Balance Sheets												
Additions to non-current assets:												
Property, plant and equipment	$	10,056	$	11,374	$	12,396	$	-	$	2,334	**$**	**36,160**
Intangible assets	$	-	$	200	$		$	-	$	19,596	**$**	**19,796**

					For the three months ended September 30, 2014	
	Infrastructure	Energy	Mining	Concessions	Other and eliminations	Total
Consolidated Statements of income						
External customer revenue	$ 334,758	$ 357,475	$ 147,429	$ 737	$ -	**$ 840,399**
Inter-segment revenue	730	11,168	1,210	-	(13,108)	**-**
Total revenue	335,488	368,643	148,639	737	(13,108)	**840,399**
Which includes:						
Construction revenue	335,488	368,643	148,639	-	(13,108)	**839,662**
Concession revenue	-	-	-	737	-	**737**
Expenses	$ (315,285)	$ (344,021)	$ (138,288)	$ (2,119)	$ 6,000	**$ (793,713)**
Which include:						
Depreciation and amortization	(4,441)	(3,630)	(5,480)	(20)	(1,716)	**(15,287)**
Other income (loss):						
Foreign exchange gain (loss)	$ 93	$ (380)	$ 69	$ 62	$ (12)	**$ (168)**
Gain (loss) on sale of property, plant and equipment	400	155	(854)	-	16	**(283)**
(Loss) on mark-to-market of LTIP program	-	-	-	-	(642)	**(642)**
Income from projects accounted for using the equity method	$ 986	$ 19	$ 84	$ 7,067	$ -	**$ 8,156**
Operating profit (loss)	$ 21,682	$ 24,416	$ 9,650	$ 5,747	$ (7,746)	**$ 53,749**
Finance income (cost):						
Finance income						**$ 939**
Finance cost						**(12,058)**
Fair value gain on convertible debentures						**8,723**
Profit before income taxes						**$ 51,353**
Income tax expense						**(11,825)**
Profit for the period						**$ 39,528**

	Infrastructure	Energy	Mining	Concessions	Other and eliminations	Total
Consolidated Balance sheets						
Segment assets	$ 856,172	$ 683,945	405,930	$ 250,556	$ (213,200)	**$ 1,983,403**
Which include:						
Projects accounted for using the equity method	21,732	1,648	8,621	219,181	-	**251,182**
Segment liabilities	$ 772,589	$ 271,409	282,059	$ 193,798	$ (158,091)	**$ 1,361,764**
Additions to non-current assets:						
Property, plant and equipment	$ 2,233	$ 3,547	2,914	$ -	$ 659	**$ 9,353**
Intangible assets	$ -	$ -	-	$ -	$ 7,032	**$ 7,032**

For the nine months ended September 30, 2014						
	Infrastructure	Energy	Mining	Concessions	Other and eliminations	Total
Consolidated Statements of Income						
External customer revenue	$ 630,990	$ 896,902	$ 361,858	$ 2,088	$ -	**$ 1,891,838**
Inter-segment revenue	2,056	14,034	1,210	-	(17,300)	**-**
Total revenue	633,046	910,936	363,068	2,088	(17,300)	**1,891,838**
Which includes:						
Construction revenue	633,046	910,936	363,068	-	(17,300)	**1,889,750**
Concession revenue	-	-		2,088	-	**2,088**
Expenses	$ (643,705)	$ (872,162)	$ (357,785)	$ (5,635)	$ (8,192)	**$ (1,887,479)**
Which include:						
Depreciation and amortization	(12,953)	(11,006)	(17,337)	(218)	(4,737)	**(46,251)**
Other income (loss):						
Foreign exchange gain (loss)	$ 80	$ (212)	$ 376	$ 151	$ 9	**$ 404**
Restructuring costs	(2,555)	-	-	-	-	**(2,555)**
Gain (loss) on sale of property, plant and equipment	839	589	(2,391)	-	117	**(846)**
(Loss) on mark-to-market of LTIP program	-	-	-	-	(642)	**(642)**
Income from projects accounted for using the equity method	$ 1,835	$ 259	$ 1,168	$ 18,794	$ -	**$ 22,056**
Operating profit (loss)	$ (10,460)	$ 39,410	$ 4,436	$ 15,398	$ (26,008)	**$ 22,776**
Finance income (cost):						
Finance income						**$ 1,845**
Finance costs						**(35,465)**
Fair value loss on convertible debentures						**9,320**
Loss before income taxes						**$ (1,524)**
Income tax recovery						**2,937**
Profit for the period						**$ 1,413**

	Infrastructure	Energy	Mining	Concessions	Other and eliminations	Total
Consolidatd Balance Sheets						
Additions to non-current assets:						
Property, plant and equipment	$ 8,094	$ 10,233	10,546	$ -	$ 2,083	**$ 30,956**
Intangible assets	$ -	$ 24	-	$ -	$ 23,166	**$ 23,190**

29. COMPARATIVE FIGURES

Certain comparative figures for 2014 have been reclassified to conform to the presentation adopted in the current year. In the consolidated statements of income for the three and nine months ended September 30, 2014, direct costs and expenses decreased by $3,534 and $10,468, respectively, and marketing, general and administrative expenses increased by $3,534 and $10,468, respectively.

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