AECON GROUP INC. | FIRST QUARTER REPORT 2015

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Dear Fellow Shareholders,

Aecon's first quarter results represent a strong start to the year with increased revenue across all three operating segments, solid margins and record backlog.

Revenue in the seasonally impacted first quarter was $502 million, 8.6% higher than the same period last year due to stronger volume in all main operating segments of Infrastructure, Energy, and Mining.

Gross profit margin in the first quarter of 2015 increased to 7.4% compared to 7.1% in the first quarter of 2014 and Adjusted EBITDA margin of 1.3% in the first quarter compared to 0.7% in the same period last year.

Aecon achieved a record backlog of $2.79 billion at the end of the first quarter, surpassing its previous record of $2.78 billion set in the third quarter of 2012 and compared to $2.18 billion at the end of the same period last year. Each of the main operating segments achieved improvements in backlog year-over-year. Not included in backlog, but important to Aecon’s prospects due to the significant volume involved, is the expected recurring revenue from Aecon’s significant number of alliances and supplier-of-choice arrangements including a number of new Master Service Agreements announced since the start of the year.

In the Infrastructure segment, in addition to a number of new projects now underway, a large number of major infrastructure projects are currently being pursued, and in many cases already pre-qualified for, and are due to be awarded in 2015.

In the Energy segment, we continue to be awarded work in the oil and gas sector, and Aecon is well positioned from a backlog perspective.

In the Mining segment, Aecon has established its credentials in Canada’s potash sector as a leading contractor for large, complex site installation projects. Opportunities to leverage this expertise into other commodities are starting to emerge, as evidenced by the recent award for early civil works at a gold mine project in Ontario.

Subsequent to the end of the first quarter, on April 10, 2015, Aecon sold its wholly-owned subsidiary IST to Fulcrum Capital Partners. Gross cash proceeds of the sale are approximately $35 million, with potential additional proceeds over the following two years contingent on IST achieving certain earn-out conditions based on performance.

The outlook for 2015 remains positive based on a strong backlog, additional recurring revenue agreements secured, 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 our Adjusted EBITDA margin.

Aecon’s diversified portfolio of work, focus on execution, and strong financial resources continue to be key strengths in capitalizing on the opportunities ahead.

Thank you for your continued support.

Yours truly,

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

May 11, 2015

Aecon Group Inc.

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

March 31, 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 March 31, 2015 interim consolidated financial statements and notes, which have not been reviewed by the Company's external auditors, 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 May 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 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 Canadian Institute of Chartered Accountants 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 March 31 2015		2014 [1]
Revenue	$	**501.5**	$	**461.9**
Gross profit		36.9		32.8
Marketing, general and administrative expenses		(45.1)		(44.4)
Income from projects accounted for using the equity method		8.3		7.3
Foreign exchange gain (loss)		(0.8)		0.5
Loss on sale of assets and investments		(0.7)		-
Restructuring costs		-		(2.6)
Gain on mark-to-market of LTIP program		0.2		-
Depreciation and amortization		(17.0)		(16.8)
Operating loss		**(18.2)**		**(23.2)**
Financing costs, net		(7.5)		(11.1)
Fair value loss on convertible debentures		-		(1.7)
Loss before income taxes		**(25.7)**		**(36.0)**
Income tax recovery		8.7		10.1
Loss	$	**(17.0)**	$	**(25.9)**
Loss	$	**(17.0)**	$	**(25.9)**
Exclude:				
Fair value loss on convertible debentures		**-**		**1.7**
Income tax on fair value loss		**-**		**(0.5)**
Adjusted loss	$	**(17.0)**	$	**(24.7)**
Gross profit margin		**7.4%**		**7.1%**
MG&A as a percent of revenue		**9.0%**		**9.6%**
Adjusted EBITDA		**6.5**		**3.1**
Adjusted EBITDA Margin		**1.3%**		**0.7%**
Operating margin		**(3.6)%**		**(5.0)%**
Loss per share - basic	$	**(0.30)**	$	**(0.49)**
Loss per share - diluted	$	**(0.30)**	$	**(0.49)**
Adjusted loss per share - basic	$	**(0.30)**	$	**(0.47)**
Adjusted loss per share - diluted	$	**(0.30)**	$	**(0.47)**
Backlog	$	**2,787**	$	**2,178**

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

Revenue for the three months ended March 31, 2015 was $40 million higher than the same period in 2014. The largest increase occurred in the Mining segment ($30 million) largely due to higher volume of site installation work in the commodity mining sector. Revenue was also higher in the Infrastructure segment ($10 million), primarily from heavy civil operations following several project awards in 2014. Revenue also increased in the Energy segment ($2 million) as higher volume in industrial operations in both Western and Central Canada was partially offset by lower revenue from utilities operations, due to less volume from pipeline projects in Western Canada.

For the three months ended March 31, 2015, operating loss improved by $5.0 million compared to the same period in 2014. Gross profit increased in the Mining segment by $9.5 million due to higher volume and gross profit margin in commodity mining site installation operations, as well as from higher gross profit margin in contract mining and mining construction operations primarily from an improved work mix compared to the same period last year. In the Infrastructure segment, higher gross profit of $2.2 million was primarily driven by higher volume and gross profit margin in the heavy civil sector. These increases were partially offset by lower gross profit in the Energy segment of $7.2 million, primarily driven by the lower volume of pipeline work in utilities and by lower gross profit margin in industrial operations. Overall, gross profit margin increased in the first quarter of 2015 to 7.4% from 7.1% in the same period in 2014.

Marketing, general and administrative expenses ("MG&A") increased by $0.7 million in the first three months of 2015 compared to the same period in 2014. MG&A as a percentage of revenue of 9.0% in the first quarter of 2015 decreased compared to 9.6% in the first quarter of 2014. The increase in MG&A was driven primarily by higher bid costs ($3.0 million) associated with in progress and submitted bids for projects in the Infrastructure and Concessions segments and was largely offset by lower personnel costs following an organizational restructuring that occurred in the fourth quarter of 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 first three months of 2015, Aecon reported a profit of $8.3 million from projects accounted for using this method of accounting, an increase of $1.0 million over the same period in 2014. An increase in the Concessions segment ($2.8 million) due primarily to higher income from the Quito airport concession operations was partially offset by a decrease across the Infrastructure, Mining and Energy segments ($1.8 million) due to a lower volume of work performed through this type of project structure in the first quarter of 2015.

For the three months ended March 31, 2015, the loss on foreign exchange of $0.8 million compared to a gain on foreign exchange of $0.5 million in the same period in 2014. The foreign exchange loss occurred largely in the Energy segment due to unrealized mark to market losses on forward contracts put in place to limit the exposure to fluctuations in foreign currencies and was the result of the appreciation of the U.S. dollar relative to the Canadian dollar in the first quarter of 2015.

Restructuring costs of $2.6 million for the three months ended March 31, 2014 were the result of the closure of the buildings business unit in Seattle within the Infrastructure segment.

For the three months ended March 31, 2015, the net mark-to-market gain related to the long-term incentive plan ("LTIP") that results from re-measuring both the LTIP liability and related total return swaps at fair value at each reporting date was $0.2 million compared to $nil in the same period in 2014.

Depreciation and amortization expense of $17.0 million in the first quarter of 2015 was $0.2 million higher than in the first quarter of 2014.

Financing charges, net of interest income, of $7.5 million in the first quarter of 2015 were $3.6 million lower than in the same period in 2014. The decrease in financing cost was due primarily to lower interest expense on convertible debentures that were repaid in the third quarter of 2014.

The terms of the Company's convertible debentures that mature in 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 must be measured at fair value at each reporting period, with gains and losses flowing through profit or loss. In the first quarter of 2015, the impact of fair valuing the embedded derivatives within Aecon's convertible debentures was $nil compared to a loss of $1.7 million in the same period of 2014. For more information, refer to Note 15 of the March 31, 2015 interim consolidated financial statements.

Note 16 of the March 31, 2015 interim consolidated financial statements provides a reconciliation between the expected income tax recovery in the first quarters of 2015 and 2014 based on statutory income tax rates and the actual income tax recovery reported for both these periods.

Backlog of $2.8 billion at March 31, 2015 represents a record reported backlog for Aecon. New contract awards of $635 million were booked in the first quarter of 2015 compared to $867 million in the first quarter of 2014.

Backlog $ millions	**As at March 31**			
	2015		2014	
Infrastructure	**$**	**1,329**	$	1,277
Energy		**993**		821
Mining		**465**		80
Consolidated	**$**	**2,787**	$	2,178

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 March 31**					
	2015			2014		
Next 12 months	**$**	**1,899**	**68%**	$	1,228	56%
Next 13-24 months		**662**	**24%**		621	29%
Beyond		**226**	**8%**		329	15%
	$	**2,787**	**100%**	$	2,178	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 revenues from these types of contracts and arrangements are 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 March 31		
		2015		2014 (1)
Revenue	**$**	**116.7**	$	106.5
Gross profit	**$**	**(1.2)**	$	(3.4)
Adjusted EBITDA	**$**	**(17.3)**	$	(16.7)
Operating profit (loss)	**$**	**(21.0)**	$	(23.3)
Gross profit margin		**(1.0)%**		(3.2)%
Adjusted EBITDA margin		**(14.9)%**		(15.7)%
Operating margin		**(18.0)%**		(21.8)%
Backlog	**$**	**1,329**	$	1,277

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

For the three months ended March 31, 2015, revenue in the Infrastructure segment of $117 million was $10 million higher than the same period last year. The largest increase occurred in heavy civil operations ($19 million) due largely to higher revenue from project awards received in 2014 in the power sector in Western Canada and heavy civil transportation sector in Ontario that did not begin to ramp-up until late in 2014. Revenue was also higher in transportation operations ($2 million) as a higher volume of road building work in Ontario more than offset lower revenue in Western Canada. However, revenue was lower in social infrastructure operations ($11 million) due to a lower volume of buildings work in Ontario and mechanical work in Western Canada.

For the three months ended March 31, 2015, operating loss in the Infrastructure segment of $21.0 million improved by $2.3 million over the same period in the prior year. The largest improvement occurred in social infrastructure operations due largely to the period-over-period impact of a $2.6 million expense incurred during the first quarter of 2014 as a result of the closure of the Seattle buildings business unit as well as from lower MG&A and overhead costs in mechanical operations. Operating profit in heavy civil operations increased in the first quarter of 2015, although higher volume and gross profit were largely offset by higher bid costs and lower income from projects reported under the equity method when compared to the same period last year. Offsetting these improvements was lower operating profit in transportation operations due largely to higher

MG&A costs, in particular higher bid costs. Overall, operating profit in the Infrastructure segment was negatively impacted in the first quarter of 2015 by an increase in bid costs of $2.5 million compared to the same period in 2014.

Infrastructure backlog at March 31, 2015 was $1,329 million, which is $52 million higher than the same time last year. An increase in transportation operations ($266 million), due to the impact of several large project awards received in 2014, was partially offset by lower backlog in heavy civil operations ($206 million) due to the workoff of projects during the past twelve months. New contract awards totaled $183 million in the first quarter of 2015 compared to $563 million in the same period in the prior year. Increases in new contract awards in transportation and social infrastructure operations were more than offset by lower new awards in heavy civil operations due to the impact in the first quarter of 2014 of several significant awards in the power and heavy civil transportation sectors.

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 March 31			
		2015		2014 (1)
Revenue	**$**	**250.4**	$	248.2
Gross profit	**$**	**11.6**	$	18.8
Adjusted EBITDA	**$**	**(3.9)**	$	3.9
Operating profit (loss)	**$**	**(7.7)**	$	0.2
Gross profit margin		**4.6%**		7.6%
Adjusted EBITDA margin		**(1.6)%**		1.6%
Operating margin		**(3.1)%**		0.1%
Backlog	**$**	**993**	$	821

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

Revenue in the first quarter of 2015 of $250 million in the Energy segment was $2 million higher than the same period in 2014 with higher revenue in industrial operations largely offset by lower revenue in utilities. In industrial operations, higher revenue in Western Canada ($39 million) reflected a higher volume of site construction projects and fabrication and module assembly work in the resources and power sectors. Industrial revenue also increased in Central Canada ($30 million) mainly from work in the power and gas distribution sectors and in Innovative Steam Technologies Inc. ("IST") ($4 million) due to higher sales of heat recovery steam generators and an increase in service revenue. These increases were partially offset by lower fabrication volume in Atlantic Canada ($7 million). Lower revenue from utilities operations ($62 million) was due to lower volume from pipeline projects in Western Canada ($65 million) which more than offset higher utilities volume elsewhere, primarily in the gas distribution sector.

For the three months ended March 31, 2015, operating loss of $7.7 million was $7.9 million worse than operating profit of $0.2 million in the same period last year. The majority of the quarter-over-quarter 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. Operating profit also decreased in industrial operations, primarily in Atlantic Canada due to lower volume and gross profit margin on fabrication work where extreme weather conditions impacted timing of work and productivity due to availability of materials and unexpected delays due to ability to access our operating sites.

Subsequent to the end of the first quarter, on April 10, 2015, Aecon sold its wholly-owned subsidiary IST to Fulcrum Capital Partners. Gross cash proceeds of the sale are approximately $35 million, with potential additional proceeds over the following two years contingent on IST achieving certain earn-out conditions based on performance. 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.

Backlog at March 31, 2015 of $993 million was $172 million higher than the same time last year with most of the increase occurring in industrial operations in Western Canada ($231 million) from both fabrication and site construction projects in the resources sector. This increase was partially offset by lower backlog in utilities operations in Western Canada due to workoff of pipeline projects. New contract awards of $288 million in the first quarter of 2015 were $95 million higher than in the same period in 2014. Most of the increase occurred in industrial operations from new contract awards for site construction projects in the resources sector in Western Canada and from fabrication projects in Atlantic Canada.

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 March 31			
		2015		2014 (1)
Revenue	**$**	**137.6**	$	107.5
Gross profit	**$**	**27.1**	$	17.6
Adjusted EBITDA	**$**	**20.8**	$	11.9
Operating profit	**$**	**12.3**	$	4.3
Gross profit margin		**19.7%**		16.3%
Adjusted EBITDA margin		**15.1%**		11.1%
Operating margin		**9.0%**		4.0%
Backlog	**$**	**465**	$	80

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

Revenue in the first quarter of 2015 of $138 million in the Mining segment was $30 million higher than in the same period of 2014. Most of this increase was from a higher volume of site installation work in the commodity mining sector ($41 million). Offsetting this increase was lower revenue from contract mining ($9 million) where higher revenue from site development work related to a 2014 award at the Fort Hills project in Alberta was more than offset by reduced volume from traditional contract mining work in the oil sands.

For the three months ended March 31, 2015, operating profit of $12.3 million was $8.0 million higher than the same period last year, due primarily to higher volume and gross profit margin from site installation work in the commodity mining sector. Operating profit also increased in contract mining and mining construction operations which benefitted from a more favourable mix of work and more favourable site conditions for unit rate reclamation work when compared to the same period in 2014.

Backlog at March 31, 2015 of $465 million was $385 million higher than the same time last year and new contract awards of $167 million were $56 million higher than in the same period in 2014. In the commodity mining sector, backlog and new awards both increased due to project awards for site installation work related to potash projects. Backlog also increased in the contract mining sector due to the above noted site development award at the Fort Hills project in Alberta.

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 March 31	
	2015	2014
Revenue	**$ 0.6**	$ 0.6
Gross profit	**$ (0.6)**	$ (0.2)
Income from projects accounted for using the equity method	**$ 8.3**	$ 5.5
Adjusted EBITDA	**$ 13.9**	$ 11.7
Operating profit	**$ 6.6**	$ 4.5

Revenue reported in the Concessions segment was $0.6 million for the three month periods ended March 31, 2015 and 2014.

For the three months ended March 31, 2015, operating profit of $6.6 million represents a $2.1 million increase compared to the same period in the prior year. The increase is due largely to higher revenue and profitability from the Quiport JV as a result of higher international passenger traffic and from the favourable impact on operating profit of the appreciation of the United States dollar relative to the Canadian dollar during the period. These increases were partially offset by higher bid costs ($0.5 million) associated with submitted and ongoing bids in the Concessions segment across Canada.

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 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Revenue	$ 501.5	$ 722.2	$ 840.4	$ 589.6	$ 461.9	$ 906.2	$ 897.3	$ 697.6
Adjusted EBITDA	6.5	75.9	77.3	13.9	3.1	79.1	79.5	36.7
Earnings (loss) before income taxes	(25.7)	36.9	51.3	(16.8)	(36.0)	36.7	45.1	9.4
Profit (loss)	(17.0)	28.6	39.5	(12.2)	(25.9)	28.2	34.4	7.9
Adjusted profit (loss)	(17.0)	27.3	33.1	(13.9)	(24.7)	33.6	36.5	6.0
Earnings (loss) per share:								
Basic	(0.30)	0.51	0.73	(0.23)	(0.49)	0.54	0.65	0.15
Diluted	(0.30)	0.39	0.49	(0.23)	(0.49)	0.48	0.53	0.13
Adjusted earnings (loss) per share:								
Basic	(0.30)	0.49	0.61	(0.26)	(0.47)	0.64	0.69	0.11
Diluted	(0.30)	0.39	0.49	(0.26)	(0.47)	0.50	0.53	0.11

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

$ millions

	2015	2014				2013		
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Operating profit (loss)	$ (18.2)	$ 40.9	$ 53.8	$ (7.8)	$ (23.2)	$ 54.6	$ 57.6	$ 16.2
Depreciation and amortization	17.0	17.3	15.3	14.1	16.8	16.3	15.0	14.3
(Gain) loss on sale of assets and investments	0.7	0.1	0.3	0.5	-	0.9	-	(0.3)
Restructuring costs	-	6.5	-	-	2.6	-	-	-
(Gain) loss on mark-to-market of LTIP program	(0.2)	2.6	0.6	-	-	-	-	-
Income from projects accounted for using the equity method	(8.3)	(10.9)	(8.2)	(6.6)	(7.3)	(11.3)	(9.5)	(8.6)
JV EBITDA	15.5	19.4	15.5	13.6	14.2	18.7	16.5	15.1
Adjusted EBITDA	$ 6.5	$ 75.9	$ 77.3	$ 13.9	$ 3.1	$ 79.1	$ 79.5	$ 36.7

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 1**	**Quarter 4**	**Quarter 3**	**Quarter 2**	**Quarter 1**	**Quarter 4**	**Quarter 3**	**Quarter 2**
Operating profit	**$ 11.4**	**$ 15.7**	**$ 11.9**	**$ 10.0**	**$ 10.6**	**$ 15.2**	**$ 13.2**	**$ 11.8**
Depreciation and amortization	**4.1**	**3.7**	**3.6**	**3.6**	**3.7**	**3.5**	**3.3**	**3.3**
JV EBITDA	**15.5**	**19.4**	**15.5**	**13.6**	**14.2**	**18.7**	**16.5**	**15.1**

(1) Refer to Note 9 "Projects Accounted for Using the Equity Method" in the consolidated financial statements

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Aecon's participation in joint arrangements classified as joint operations are 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, 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), are accounted for using the equity method.

For further information, see Note 8 to the March 31, 2015 interim consolidated financial statements.

Cash and Debt Balances

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

$ millions		**March 31, 2015**		
		Balances excluding Joint Operations	**Joint Operations**	**Consolidated Total**
Cash and cash equivalents	(1)	**$ -**	**$ 95**	**$ 95**
Restricted cash	(2)	**5**	**-**	**5**
Bank indebtedness	(3)	**(89)**	**-**	**(89)**
		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 $435.4 million at March 31, 2015 compares to $444.9 million as at December 31, 2014, the composition of which is as follows:

$ millions				
		March 31, 2015		December 31, 2014
Current portion of long-term debt	**$**	**76.8**	$	83.2
Current portion of convertible debentures		**91.3**		90.8
Long-term debt		**109.1**		113.6
Convertible debentures		**158.2**		157.3
Total long-term debt	**$**	**435.4**	$	444.9

Most of the $9.5 million net decrease in total debt results from debt repayments related to finance leases and equipment loans. Convertible debentures increased by $1.4 million during the first quarter of 2015 related to the accretion of notional interest.

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 $300 million of which $173 million was unutilized as of March 31, 2015. When combined with two letter of credit facilities provided by Export Development Canada (a $375 million domestic facility and a $20 million international facility), Aecon's current total committed credit facilities for working capital and letter of credit requirements are approximately $695 million. During the first quarter of 2015, the expiry date of the above noted revolving credit facility was extended to March 2019 from August 2016 and the size of the above noted domestic letter of credit facility was increased from $250 million to $375 million. As of March 31, 2015, Aecon was in compliance with all debt covenants related to its credit facility.

On October 31, 2015, $92 million of convertible debentures will mature. At the holder's option, the 2015 convertible debentures may be converted into common shares of the Company at any time up to the maturity date at a conversion price of $19.00 for each common share, subject to adjustment in certain circumstances. Subject to specified conditions, Aecon may, at its option, redeem the 2015 convertible debentures through to the maturity date. The Company has the ability to repay the outstanding principal amount of the 2015 convertible debentures with cash, shares, or a combination of cash and shares.

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 Three months ended March 31	
	2015	2014
Cash provided by (used in):		
Operating activities	**$ (105.4)**	$ (71.0)
Investing activities	**(10.0)**	(10.7)
Financing activities	**71.0**	(12.5)
Increase (decrease) in cash and cash equivalents	**(44.4)**	(94.2)
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	**$ 94.6**	$ 146.4

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 flow, 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 $105 million in the first three months of 2015 compares with cash used in operating activities of $71 million in the same period in 2014. Most of the $34 million period-over-period increase in cash used in operating activities resulted primarily from higher investments in working capital in the Energy and Mining segments which more than offset the positive impact of higher operating profit in the current quarter.

Investing Activities

In the first three months of 2015, investing activities resulted in a use of cash of $10 million, which compares to cash used of $11 million in the same period in 2014. In the first quarter of 2015, $9 million of cash was used for expenditures (net of disposals) on property, plant and equipment and intangible assets compared to $11 million of cash used in the first quarter of 2014.

In the first three months of 2015, Aecon acquired, either through purchases or finance leases, property, plant and equipment totalling $6 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 the Infrastructure and Mining segments. In the first three months of 2014, investments in property, plant and equipment also totalled $6 million, with most of the spending occurring in the Infrastructure and Energy segments.

Financing Activities

In the first three months of 2015, cash provided by financing activities amounted to $71 million, compared to cash used in financing activities of $12 million in the same period in 2014. The increase was due largely to an $89 million increase in bank indebtedness associated with borrowings under the Company’s revolving credit facility. Issuances of long-term debt in the first quarter of 2015 amounted to $6 million, while repayments totalled $20 million, for a net outflow of $14 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 quarter of 2014, net debt repayments totalled $11 million, relating primarily to equipment financing arrangements. Dividends of $5 million were paid in the first three months of 2015, compared to $4 million in the same period in 2014. There was no cash provided by the exercise of stock options in the first quarter of 2015 compared to $3 million of cash provided in the first quarter of 2014.

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 three 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 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 financial statement preparation and presentation and may not prevent or detect misstatements due to error or fraud.

Changes in Internal Controls over Financial Reporting

There have been no changes in the Company’s internal controls over financial reporting during the period beginning on January 1, 2015 and ended on March 31, 2015 that have materially affected, or are reasonably likely to materially affect, the Company’s internal controls over financial reporting.

Internal Controls - Enterprise Resource Planning (“ERP”) Implementation

An ERP implementation project is underway 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 new system became operational at a single business unit pilot site during the fourth quarter of 2014. The project will follow a phased deployment schedule throughout 2015 and will become fully operational across the Company by the end of 2015. 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 is taking the necessary steps to monitor and maintain appropriate internal controls during this transition period. These steps include deploying resources to mitigate internal control risks and performing additional verifications and testing to ensure data integrity. In connection with the continued implementation of this ERP system, the Company expects there will be a redesign of certain business processes during 2015, some of which relate to internal controls over financial reporting and disclosure controls and procedures.

Contractual Obligations

At December 31, 2014, the Company had commitments totaling $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.

At March 31, 2015, Aecon had contractual obligations to complete construction contracts that were in progress. The revenue value of these contracts was $2,787 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 18 to the March 31, 2015 interim consolidated financial statements.

Aecon’s defined benefit pension plans had a combined deficit of $4.2 million at March 31, 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 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 March 31, 2015 interim consolidated financial statements and in the 2014 Annual Report.

Related Party Transactions

There were no significant related party transactions in the first three 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 March 31, 2015 interim 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)		**May 11, 2015**
Number of common shares outstanding(1)		56,447,711
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 15 to the March 31, 2015 interim consolidated financial statements)	$	258,178
Number of common shares issuable on conversion of convertible debentures		13,467,105
Increase in paid-up capital on conversion of convertible debentures	$	258,178

(1) The number of common shares outstanding as per the above table at May 11, 2015 includes 289,755 shares held by the trustee of Aecon's Long-Term Incentive Plan ("LTIP").

The number of common shares outstanding at May 11, 2015 for financial statement purposes, after deducting the above LTIP shares, was 56,157,956 shares.

OUTLOOK

Higher revenue and gross profit margin in both the Infrastructure and Mining segments more than offset lower profit from the Energy segment in the first quarter of 2015, leading to improved results compared to the same period last year. Gross profit margin in the first quarter of 2015 increased to 7.4% compared to 7.1% in the first quarter of 2014 and Adjusted EBITDA margin of 1.3% in the first quarter compared to 0.7% in the same period last year. Revenue in the seasonally impacted first quarter was $502 million, 8.6% higher than the same period last year due to stronger volume in all main operating segments of Infrastructure, Energy, and Mining.

In addition to progress on revenue and margins, Aecon achieved a record backlog of $2.79 billion at the end of the first quarter, surpassing its previous record of $2.78 billion set in the third quarter of 2012 and compared to $2.18 billion at the end of the same period last year. Each of the main operating segments achieved improvements in backlog year-over-year.

We maintain a positive outlook for the remainder of the year due to strong backlog and recurring revenue in terms of volume, mix of work, and margin profile in all operating segments.

Infrastructure segment backlog at the end of the first quarter was $1,329 million compared to $1,277 million at the same time last year. In addition to a number of new projects now underway, a large number of major infrastructure projects currently being pursued, and in many cases already pre-qualified for, are due to be awarded in 2015. 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. The current strong backlog and pipeline of opportunities in Infrastructure, supported by multiple levels of government commitments to infrastructure programs across Canada, is expected to lead to ongoing growth in this segment in 2015 and 2016.

Backlog in the Energy segment grew to $993 million at the end of the first quarter, an increase of 21% compared to $821 million at the end of the same period last year, as we continue to win work across all sectors of our Energy segment. While there is still uncertainty as to the timing and extent of further recovery in oil prices, we continue to be awarded work in the oil and gas sector, and Aecon is well positioned from a backlog perspective to ride out the current low oil price environment for the foreseeable future. In the near term, the volume of large diameter pipeline work is expected to be lower due to lower overall industry activity, however, the demand for pipeline integrity work, utilities work, power and nuclear refurbishment, and fabrication and module assembly services is expected to remain strong. Notwithstanding the impact of less pipeline volume and adverse weather impacts on the start to the year, the second half of 2015 in particular is expected to show strong performance versus the prior year.

Backlog in the Mining segment at the end of the first quarter increased substantially to $465 million compared to $80 million at the end of the same period last year. While commodity prices generally remain relatively soft, signs of interest in new development projects are becoming apparent. The lower number of new opportunities in the recent environment has required a focus on key sectors, such as potash, where Aecon has been able to establish its credentials as a leading contractor for large, complex site installation projects. Opportunities to leverage this expertise into other commodities are starting to emerge. 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 2015, combined with 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.

Aecon continues to be disciplined in responding to requests for its services, becoming pre-qualified, bidding, negotiating and carrying out work. The outlook for 2015 remains positive based on a strong backlog, additional recurring revenue agreements secured, 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. As usual, the second half of 2015 is expected to be stronger than the first half reflecting the typical seasonality of Aecon's work. 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.

FIRST QUARTER

CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014

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MANAGEMENT REPORT
May 11, 2015

Notice to Reader

The management of Aecon Group Inc. (the “Company”) is responsible for the preparation of the accompanying interim consolidated financial statements. The interim consolidated financial statements have been prepared in accordance with International Financial Reporting 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 consolidated financial statements have not been reviewed by an auditor. These interim 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, financial performance 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 MARCH 31, 2015 AND DECEMBER 31, 2014

(in thousands of Canadian dollars) (unaudited)

	Note	March 31 2015	December 31 2014
ASSETS			
Current assets			
Cash and cash equivalents		$ 94,628	$ 138,924
Restricted cash		4,697	4,291
Trade and other receivables	5	504,526	468,946
Unbilled revenue	6	308,152	301,402
Inventories	7	31,089	31,286
Income tax recoverable		15,124	4,072
Prepaid expenses		13,597	14,214
		971,813	963,135
Non-current assets			
Long-term financial assets		4,256	3,746
Projects accounted for using the equity method	8	274,812	245,727
Deferred income tax assets		33,201	25,900
Property, plant and equipment	9	480,404	493,108
Intangible assets	10	105,434	98,494
		898,107	866,975
TOTAL ASSETS		$ 1,869,920	$ 1,830,110
LIABILITIES			
Current liabilities			
Bank indebtedness	11	$ 89,493	$ -
Trade and other payables	12	478,786	514,400
Provisions	13	14,505	15,636
Deferred revenue	6	117,483	118,117
Income taxes payable		-	1,786
Long-term debt	14	76,846	83,226
Convertible debentures	15	91,296	90,816
		868,409	823,981
Non-current liabilities			
Provisions	13	7,363	7,108
Long-term debt	14	109,148	113,612
Convertible debentures	15	158,208	157,291
Deferred income tax liabilities		65,675	65,515
Other liabilities		6,779	6,653
		347,173	350,179
TOTAL LIABILITIES		1,215,582	1,174,160
EQUITY			
Capital stock	19	324,606	324,287
Convertible debentures	15	8,674	8,674
Contributed surplus		5,511	5,509
Retained earnings		268,239	290,858
Accumulated other comprehensive income		47,308	26,622
TOTAL EQUITY		654,338	655,950
TOTAL LIABILITIES AND EQUITY	18	$ 1,869,920	$ 1,830,110

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014
(in thousands of Canadian dollars, except per share amounts) (unaudited)

	Note		March 31 2015		March 31 2014 (Note 29)
Revenue		$	501,520	$	461,873
Direct costs and expenses	20		(464,621)		(429,056)
Gross profit			36,899		32,817
Marketing, general and administrative expenses	20		(45,069)		(44,364)
Depreciation and amortization	20		(16,953)		(16,828)
Income from projects accounted for using the equity method	8		8,339		7,321
Other loss	21		(1,377)		(2,139)
Operating loss			(18,161)		(23,193)
Finance income			254		604
Finance costs	22		(7,738)		(11,747)
Fair value loss on convertible debentures	15		(38)		(1,705)
Loss before income taxes			(25,683)		(36,041)
Income tax recovery	16		8,704		10,140
Loss for the period		$	(16,979)	$	(25,901)
Basic loss per share	23	$	(0.30)	$	(0.49)
Diluted loss per share	23	$	(0.30)	$	(0.49)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014
(in thousands of Canadian dollars) (unaudited)

	March 31 2015	March 31 2014
Loss for the period	**$ (16,979)**	$ (25,901)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences - foreign operations	**(60)**	499
Currency translation differences - equity accounted investees	**20,746**	8,262
Cash flow hedges - equity accounted investees	**-**	(114)
Income taxes on the above	**-**	28
Total other comprehensive income for the period	**20,686**	8,675
Comprehensive income (loss) for the period	**$ 3,707**	$ (17,226)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

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

	Capital stock	Convertible debentures	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss): Currency translation differences	Accumulated other comprehensive income (loss): Actuarial gains and losses	Accumulated other comprehensive income (loss): Cash flow hedges	Shareholders' equity
Balance as at January 1, 2015	**$ 324,287**	**$ 8,674**	**$ 5,509**	**$ 290,858**	**$ 27,576**	**$ (954)**	**$ -**	**$ 655,950**
Loss for the period	-	-	-	(16,979)	-	-	-	**(16,979)**
Other comprehensive income (loss):								
Currency translation differences - foreign operations	-	-	-	-	(60)	-	-	**(60)**
Currency translation differences - equity-accounted investees	-	-	-	-	20,746	-	-	**20,746**
Total other comprehensive income for the period	**-**	**-**	**-**	**-**	**20,686**	**-**	**-**	**20,686**
Total comprehensive income for the period	**-**	**-**	**-**	**(16,979)**	**20,686**	**-**	**-**	**3,707**
Dividends declared	-	-	-	(5,640)	-	-	-	**(5,640)**
Granting of stock options	-	-	2	-	-	-	-	**2**
Transfers by the Trust to settle long-term incentive plan (LTIP) obligations	319	-	-	-	-	-	-	**319**
Balance as at March 31, 2015	**$ 324,606**	**$ 8,674**	**$ 5,511**	**$ 268,239**	**$ 48,262**	**$ (954)**	**$ -**	**$ 654,338**

	Capital stock	Convertible debentures	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss): Currency translation differences	Accumulated other comprehensive income (loss): Actuarial gains and losses	Accumulated other comprehensive income (loss): 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**
Loss for the period	-	-	-	(25,901)	-	-	-	**(25,901)**
Other comprehensive income (loss):								
Currency translation differences - foreign operations	-	-	-	-	499	-	-	**499**
Currency translation differences - equity-accounted investees	-	-	-	-	8,262	-	-	**8,262**
Cash flow hedges - equity accounted investees	-	-	-	-	-	-	(114)	**(114)**
Taxes with respect to above items included in other comprehensive income	-	-	-	-	-	-	28	**28**
Total other comprehensive income for the period	**-**	**-**	**-**	**-**	**8,761**	**-**	**(86)**	**8,675**
Total comprehensive loss for the period	**-**	**-**	**-**	**(25,901)**	**8,761**	**-**	**(86)**	**(17,226)**
Dividends declared	-	-	-	(5,080)	-	-	-	**(5,080)**
Common shares issued on exercise of options	3,908	-	(977)	-	-	-	-	**2,931**
Transfers by the Trust to settle long-term incentive plan (LTIP) obligations	811	-	-	-	-	-	-	**811**
Balance as at March 31, 2014	**$ 291,466**	**$ 8,674**	**$ 5,500**	**$ 246,493**	**$ 16,797**	**$ (391)**	**$ (495)**	**$ 568,044**

During the three months ended March 31, 2015, the Company declared dividends amounting to $0.10 per share (March 31, 2014 - $0.09 per share).

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014
(in thousands of Canadian dollars) (unaudited)

	Note	March 31 2015	March 31 2014
CASH PROVIDED BY (USED IN)			
Operating activities			
Loss before income taxes		$ (25,683)	$ (36,041)
Income taxes paid		(11,248)	(2,923)
Defined benefit pension		(230)	(125)
Items not affecting cash:			
Depreciation and amortization		16,953	16,828
Income from projects accounted for using the equity method		(8,339)	(7,321)
Loss on sale of property, plant and equipment		745	25
Income from leasehold inducements		(97)	(85)
Loss on disposal of subsidiary		-	2,555
Unrealized foreign exchange (gain) loss		(563)	534
Increase in provisions		217	1,024
Notional interest representing accretion		1,472	2,458
Fair value loss on convertible debentures		38	1,705
Stock-based compensation		2	-
Change in other balances relating to operations	24	(78,705)	(49,622)
		(105,438)	(70,988)
Investing activities			
Increase in restricted cash balances		(406)	(167)
Purchase of property, plant and equipment		(2,764)	(3,412)
Proceeds on sale of property, plant and equipment		1,467	604
Increase in intangible assets		(7,625)	(7,712)
Increase in long-term financial assets		(637)	(178)
Distributions from projects accounted for using the equity method		-	159
		(9,965)	(10,706)
Financing activities			
Increase in bank indebtedness		89,493	-
Issuance of long-term debt		6,110	6,743
Repayments of long-term debt		(19,965)	(17,640)
Increase in other liabilities		452	-
Issuance of capital stock		-	2,931
Dividends paid		(5,050)	(4,494)
		71,040	(12,460)
Decrease in cash and cash equivalents during the period		(44,363)	(94,154)
Effects of foreign exchange on cash balances		67	36
Cash and cash equivalents - beginning of period		138,924	240,602
Cash and cash equivalents - end of period	24	$ 94,628	$ 146,484

The accompanying notes are an integral part of these consolidated financial statements.

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 consolidated financial statements of the Company were authorized for issue on May 11, 2015 by the Board of Directors of the Company.

3. BASIS OF PRESENTATION

Basis of presentation
The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS").

These interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". The interim 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 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 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 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 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 15 *"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 15 *"Convertible Debentures"* and Note 25 *"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 17, "*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 of 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.

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

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.

5. TRADE AND OTHER RECEIVABLES

		March 31 2015		December 31 2014
Trade receivables	**$**	**313,332**	$	277,972
Allowance for doubtful accounts		**(1,883)**		(1,854)
		311,449		276,118
Holdbacks receivable		**185,684**		186,267
Other		**7,393**		6,561
		193,077		192,828
Total	**$**	**504,526**	$	468,946
Amounts receivable beyond one year	**$**	**72,740**	$	76,471

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

		March 31 2015		December 31 2014
Balance - beginning of period	**$**	**(1,854)**	$	(1,933)
Additional amounts provided for during period		**(45)**		(1,487)
Trade receivables written off during period		**-**		23
Amounts recovered		**16**		1,543
Balance - end of period	**$**	**(1,883)**	$	(1,854)

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

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:

	March 31 2015	December 31 2014
Earned revenue on projects to date	**$ 5,708,364**	$ 5,834,542
Less: Billings on projects to date	**5,517,695**	5,651,257
Net consolidated balance sheet position	**$ 190,669**	$ 183,285
Reported as:		
Unbilled revenue	**$ 308,152**	$ 301,402
Deferred revenue	**(117,483)**	(118,117)
	$ 190,669	$ 183,285

7. INVENTORIES

	March 31 2015	December 31 2014
Raw materials and supplies	**$ 8,867**	$ 8,072
Finished goods	**22,222**	23,214
	$ 31,089	$ 31,286

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

8. 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:

	March 31, 2015			December 31, 2014		
	Joint Ventures	Associates	Total	Joint Ventures	Associates	Total
Cash and cash equivalents	$ 3,707	$ 17,251	**$ 20,958**	$ 2,290	$ 5,452	$ 7,742
Other current assets	66,106	8,755	**74,861**	56,841	17,780	74,621
Total current assets	69,813	26,006	**95,819**	59,131	23,232	82,363
Non-current assets	456,657	15	**456,672**	418,294	1,248	419,542
Total assets	526,470	26,021	**552,491**	477,425	24,480	501,905
Trade and other payables and provisions	20,161	8,766	**28,927**	20,588	7,539	28,127
Other current financial liabilities	20,323	-	**20,323**	15,090	43	15,133
Total current liabilities	40,484	8,766	**49,250**	35,678	7,582	43,260
Non-current financial liabilities	143,062	-	**143,062**	134,571	-	134,571
Other non-current liabilities	85,367	-	**85,367**	78,347	-	78,347
Total non-current liabilities	228,429	-	**228,429**	212,918	-	212,918
Total liabilities	268,913	8,766	**277,679**	248,596	7,582	256,178
Net assets	$ 257,557	$ 17,255	**$ 274,812**	$ 228,829	$ 16,898	$ 245,727

	For the three months ended					
	March 31, 2015			March 31, 2014		
	Joint Ventures	Associates	Total	Joint Ventures	Associates	Total
Revenue	$ 28,250	$ 3,604	**$ 31,854**	$ 18,023	$ 13,092	$ 31,115
Depreciation and amortization	(4,098)	-	**(4,098)**	(3,655)	-	(3,655)
Other costs	(13,115)	(3,248)	**(16,363)**	(5,868)	(11,022)	(16,890)
Operating profit	11,037	356	**11,393**	8,500	2,070	10,570
Finance costs	(2,665)	-	**(2,665)**	(3,035)	-	(3,035)
Income tax expense (recovery)	185	-	**185**	163	-	163
Non-controlling interest	(574)	-	**(574)**	(377)	-	(377)
Profit for the period	7,983	356	**8,339**	5,251	2,070	7,321
Other comprehensive income	-	-	**-**	8,176	-	8,176
Total comprehensive income	$ 7,983	$ 356	**$ 8,339**	$ 13,427	$ 2,070	$ 15,497

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

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

	For the three months ended **March 31 2015**	For the year ended December 31 2014
Projects accounted for using the equity method - beginning of period	**$ 245,727**	$ 232,467
Share of profit for the period	**8,339**	32,995
Share of other comprehensive income for the period	**20,746**	19,437
Distributions from projects accounted for using the equity method	**-**	(39,172)
Projects accounted for using the equity method - end of period	**$ 274,812**	$ 245,727

9. 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	-	61	-	3,392	702	553	1,069	**5,777**
Disposals	-	(9)	-	(1,846)	(1,986)	(2,369)	(1,437)	**(7,647)**
Balance as at March 31, 2015	$ 34,441	$ 91,141	$ 53,384	$ 254,424	$ 28,857	$ 65,354	$ 259,025	**$ 786,626**
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	-	1,449	34	6,011	1,077	2,253	5,444	**16,268**
Disposals	-	(6)	-	(926)	(1,982)	(2,152)	(368)	**(5,434)**
Balance as at March 31, 2015	$ -	$ 36,395	$ 13,693	$ 129,442	$ 19,196	$ 44,987	$ 62,509	**$ 306,222**
Net book value as at March 31, 2015	**$ 34,441**	**$ 54,746**	**$ 39,691**	**$ 124,982**	**$ 9,661**	**$ 20,367**	**$ 196,516**	**$ 480,404**
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 March 31, 2015	**$ -**	**$ -**	**$ 75**	**$ 51,008**	**$ 708**	**$ 17,101**	**$ 25,488**	**$ 94,380**

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

10. INTANGIBLE ASSETS

	Goodwill	Licences, software and other rights (a)	Total
Cost			
Balance as at January 1, 2015	$ 52,574	$ 55,738	$ 108,312
Additions			
Acquired separately	-	7,300	7,300
Interest capitalized	-	325	325
Balance as at March 31, 2015	**52,574**	**63,363**	**115,937**
Accumulated amortization and impairment			
Balance as at January 1, 2015	-	9,818	9,818
Amortization	-	685	685
Balance as at March 31, 2015	**$ -**	**10,503**	**10,503**
Net book value as at March 31, 2015	**$ 52,574**	**52,860**	**105,434**
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) Included in *Licences, software and other rights as* at March 31, 2015, are assets under development of $48,004 (December 31, 2014 - $40,429).

11. BANK INDEBTEDNESS

The Company maintains a committed revolving credit facility of $300,000. Bank indebtedness as at March 31, 2015 of $89,493 (December 31, 2014 – $nil) represents borrowings on the Company's revolving credit facility. Letters of credit amounting to $37,748 were also issued against the credit facility as at March 31, 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 the first quarter of 2015, the expiry date of the facility was extended to March 2019.

The Company also maintains two additional letter of credit facilities (a $375,000 domestic facility, up from $250,000 at December 31, 2014, and a $20,000 international facility) provided by Export Development Canada of which $161,731 was utilized as at March 31, 2015 (December 31, 2014 - $161,833).

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

12. TRADE AND OTHER PAYABLES

	March 31 2015	December 31 2014
Trade payables and accrued liabilities	$ 408,137	$ 441,275
Holdbacks payable	70,649	73,125
	$ 478,786	$ 514,400
Amounts payable beyond one year	$ 13,609	$ 14,046

13. 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	89	140	-	-	229
Amounts used	(52)	-	-	(1,174)	(1,226)
Unused amounts reversed	(12)	-	-	-	(12)
Notional interest	103	30	-	-	133
Balance at March 31, 2015	**$ 7,233**	**$ 3,392**	**$ 8,016**	**$ 3,227**	**$ 21,868**
Reported as:					
Current	**$ 3,377**	**$ -**	**$ 8,016**	**$ 3,112**	**$ 14,505**
Non-current	**3,856**	**3,392**	**-**	**115**	**7,363**
	$ 7,233	**$ 3,392**	**$ 8,016**	**$ 3,227**	**$ 21,868**

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

14. LONG-TERM DEBT

	March 31 2015	December 31 2014
Long-term debt:		
Finance leases	**$ 85,461**	$ 91,648
Equipment and other loans	**100,533**	105,190
Total long-term debt	**$ 185,994**	$ 196,838
Reported as:		
Current liabilities:		
Long-term debt	**$ 76,846**	$ 83,226
Non-current liabilities:		
Long-term debt	**109,148**	113,612
	$ 185,994	$ 196,838

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

15. CONVERTIBLE DEBENTURES

Convertible subordinated debentures consist of:

		March 31 2015		December 31 2014
Debt component:				
Debenture maturing on October 31, 2015		**91,085**		90,643
Debenture maturing on December 31, 2018		**158,208**		157,291
		249,293		247,934
Embedded derivative component:				
Debenture maturing on October 31, 2015		**211**		173
		211		173
Total convertible debentures	**$**	**249,504**	$	248,107
Reported as:				
Current liabilities				
Convertible debentures	**$**	**91,296**	$	90,816
Non-current liabilities:				
Convertible debentures		**158,208**		157,291
	$	**249,504**	$	248,107

		March 31 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.

	For the three months ended			
		March 31 2015		March 31 2014
Interest expense on face value	**$**	**(3,809)**	$	**(6,828)**
Notional interest representing accretion		**(1,359)**		**(2,504)**
Fair value loss on embedded derivatives		**(38)**		**(1,705)**
	$	**(5,206)**	$	**(11,037)**

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

16. INCOME TAXES

The provision for income taxes differs from the result that would be obtained by applying the combined Canadian federal and provincial statutory income tax rates to profit or loss before income taxes. This difference results from the following:

	For the three months ended	
	March 31 2015	March 31 2014
Loss before income taxes	**$ (25,683)**	$ (36,041)
Statutory income tax rate	**25.75%**	25.75%
Expected income tax recovery	**6,613**	9,280
Effect on income taxes of:		
Projects accounted for using the equity method	**2,003**	1,311
Provincial and foreign rate differences	**223**	174
Non-deductible notional interest	**(58)**	(246)
Other non-deductible expenses	**(77)**	-
Tax-exempt portion of capital gains	**-**	(379)
	2,091	860
Income tax recovery	**$ 8,704**	$ 10,140

17. EMPLOYEE BENEFIT PLANS

Employee future benefit expenses for the period are as follows:

	For the three months ended	
	March 31 2015	March 31 2014
Defined benefit pension expense:		
Company sponsored pension plans	**$ 233**	$ 269
Defined contribution pension expenses:		
Company sponsored pension plans	**1,453**	1,468
Multi-employer pension plans	**14,151**	12,119
Total employee future benefit expenses	**$ 15,837**	$ 13,856

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

18. 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 13, *"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	March 31 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	$ 118,746	$ 108,616
Letters of credit:			
In support of various project contingencies	Quito Airport Project	$ 22,482	$ 20,582
Financial and performance - issued in the normal conduct of business	Various	$ 195,465	$ 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 March 31, 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 $1,136,406 (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.

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

19. CAPITAL STOCK

	For the three months ended March 31, 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	25,781		319	583,492		7,162
Common shares cancelled	-		-	(1,368)		(12)
Common shares issued on conversion of debentures	-		-	263		5
Number of common shares outstanding - end of period	**56,157,956**	**$**	**324,606**	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 289,755 (December 31, 2014 – 315,356) common shares held by the LTIP Trust, the total number of common shares outstanding as at March 31, 2015 is 56,447,711 (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.

The LTIP Trust held 289,755 common shares as at March 31, 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, at March 31, 2015, share capital was reduced by $2,636 (December 31, 2014 - $2,956) and accrued liabilities increased by the same amount.

For the three months ended March 31, 2015, the Company recorded LTIP compensation charges of $3,107 (2014 - $2,387) and other loss of $1,077 (2014 - $nil) representing changes in fair value of the liability.

Other derivatives

The Company has a number of total return swaps (“TRS”) outstanding that are intended 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 has a term of one year or less, but each contract allows 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.

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

For the three months ended March 31, 2015, the Company recognized a gain of $1,231 (2014 - $nil), 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 three months ended March 31, 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 March 31, 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.

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

DSUs are expensed in full on the date of grant. As a cash-settled award, the related liability is revalued to fair value at the end of each reporting period, 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 months ended March 31, 2015, the Company recorded Director DSU compensation charges of $710 (2014 - $nil).

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

	For the three months ended March 31, 2015		For the three months ended March 31, 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	**3,272,443**	**$ 11.66**	**46,936**	$ **16.80**
Granted	**940,659**	**11.66**	**67,512**	**11.48**
Dividend equivalent rights	**27,970**	**11.67**	**404**	**10.55**
Settled	**(116,565)**	**11.24**	**-**	**-**
Forfeited	**(3,252)**	**16.81**	**(66)**	**16.81**
Balance outstanding - end of period	**4,121,255**	**$ 11.68**	**114,786**	$ **13.67**

The fair value of the liability for LTIP and Director DSUs as at March 31, 2015 was $28,842 (December 31, 2014 - $27,844) and $ 1,288 (December 31, 2014 - $503), respectively, and is included in trade and other payables in the consolidated balance sheets.

20. EXPENSES

	For the three months ended	
	March 31 2015	March 31 2014
Personnel	**$ 215,789**	$ 226,972
Subcontractors	**118,818**	114,613
Materials	**97,470**	56,538
Equipment costs	**43,407**	59,191
Other expenses	**34,206**	16,106
Depreciation of property, plant and equipment and amortization of intangible assets	**16,953**	16,828
Total expenses	**$ 526,643**	$ 490,248

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

Reported as:

	For the three months ended	
	March 31 2015	March 31 2014 (Note 29)
Direct costs and expenses	**$ 464,621**	$ 429,056
Marketing, general and administrative expenses	**45,069**	44,364
Depreciation and amortization	**16,953**	16,828
Total expenses	**$ 526,643**	$ 490,248

21. OTHER INCOME (LOSS)

	For the three months ended	
	March 31 2015	March 31 2014
Foreign exchange gain (loss)	**$ (786)**	$ 441
Loss on sale of property, plant and equipment	**(745)**	(25)
Gain on mark-to-market of LTIP program	**154**	-
Restructuring costs	**-**	(2,555)
Total other income (loss)	**$ (1,377)**	$ (2,139)

For the three months ended March 31, 2015, the net mark-to-market gain related to the long-term incentive plan ("LTIP") program was $154 (2014 - $Nil). This gain results from remeasuring both the LTIP liability and related total return swaps, at fair value at the reporting date. See Note 19, *"Capital Stock,"* for further details.

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 write-down of goodwill and $1,346 of personnel and other closure costs.

22. FINANCE COSTS

	For the three months ended	
	March 31 2015	March 31 2014
Interest on long-term debt and debentures	**$ 5,727**	$ 10,130
Interest on finance leases	**1,184**	1,229
Interest on short-term debt	**694**	332
Unwinding of discount on provisions	**133**	56
Total finance costs	**$ 7,738**	$ 11,747

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

23. EARNINGS (LOSS) PER SHARE

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

	For the three months ended	
	March 31 2015	March 31 2014
Loss attributable to shareholders	**$ (16,979)**	$ (25,901)
Interest on convertible debentures, net of tax [1]	**3,857**	7,101
Fair value loss on convertible debentures, net of tax	**28**	1,253
Diluted net loss	**$ (13,094)**	$ (17,547)
Average number of common shares outstanding	**56,152,521**	53,003,065
Effect of dilutive securities [1]		
Options	**13,764**	147,400
Convertible debentures [1]	**25,770,380**	28,282,276
Shares held in trust account in respect of a long-term incentive plan	**289,755**	3,253,434
Weighted average number of diluted common shares outstanding	**82,226,420**	84,686,175
Basic loss per share	**$ (0.30)**	$ (0.49)
Diluted loss per share [1]	**$ (0.30)**	$ (0.49)

[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.

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

24. SUPPLEMENTARY CASH FLOW INFORMATION

Change in other balances relating to operations

	For the three months ended	
	March 31 2015	March 31 2014
Decrease (increase) in:		
Trade and other receivables	**$ (35,350)**	$ 45,943
Unbilled revenue	**(6,213)**	10,141
Inventories	**197**	(4,902)
Prepaid expenses	**635**	293
Increase (decrease) in:		
Trade and other payables	**(36,113)**	(104,274)
Provisions	**(1,226)**	(86)
Deferred revenue	**(635)**	3,263
	$ (78,705)	$ (49,622)

Cash flows from interest

	For the three months ended	
	March 31 2015	March 31 2014
Operating activities		
Cash interest paid	**$ (2,339)**	$ (9,081)
Cash interest received	**137**	671

	For the three months ended	
	March 31 2015	March 31 2014
Non-cash transactions		
Property, plant and equipment acquired and financed by finance leases	**$ 3,013**	$ 2,887

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

25. FINANCIAL INSTRUMENTS

Fair value

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 March 31, 2015, the Company had outstanding contracts to buy €311, sell US$12,652 and buy US$350 (December 31, 2014 – buy €272, sell US$12,491 and buy US$401) on which there was a net unrealized exchange loss of $1,585 (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 March 31, 2015			
	Total	**Level 1**	**Level 2**	**Level 3**
Financial assets (liabilities) measured at fair value:				
Convertible debentures - embedded derivative	$ (211)	$ -	$ -	$ (211)
Long-Term Incentive Plan ("LTIP")	(28,842)	-	(28,842)	-
Director DSU plan	(1,288)	-	(1,288)	-
Total return swaps ("TRS")	(11,102)	-	(11,102)	-
Financial assets (liabilities) disclosed at fair value:				
Current portion of long-term debt	(80,660)	-	(80,660)	-
Long-term debt	(104,884)	-	(104,884)	-
Convertible debentures	(272,631)	(272,631)	-	-

As explained in Note 15, 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 36.55% and a credit spread of 2.34%. A 1% change in the implied volatility factor would have changed the fair value of the embedded derivative by $36 and a 1% change in the credit spread factor would have changed the fair value of the embedded derivative by $513.

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

The fair value of the LTIP, TRS and Director DSU plan is determined using the Company's common share price on the last business day of the fiscal period, as quoted on the Toronto Stock Exchange.

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

		March 31 2015
Convertible debentures - embedded derivatives - opening balance	$	(173)
Net gain recognized in income during the period		(38)
Convertible debentures - embedded derivatives - ending balance	$	**(211)**

During the three month period ended March 31, 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 March 31, 2015, the Company had $89,591 in trade receivables that were past due. Of this amount, $44,308 was over 60 days past due, against which the Company has recorded an allowance for doubtful accounts of $1,883.

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 March 31, 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	$ -	$ 89,493	$ -	$ 89,493	$ -	$ 89,493
Trade and other payables	$ 465,177	$ 13,877	$ -	$ 479,054	$ (268)	$ 478,786
Finance leases	$ 37,443	$ 52,596	$ 168	$ 90,207	$ (4,746)	$ 85,461
Equipment and other loans	44,954	58,202	4,341	107,497	(6,964)	100,533
	82,397	110,798	4,509	197,704	(11,710)	185,994
Convertible debentures	92,000	172,500	-	264,500	(14,996)	249,504
Long-term financial liabilities	$ 174,397	$ 283,298	$ 4,509	$ 462,204	$ (26,706)	$ 435,498

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 three months ended March 31, 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.

The Company's currency exposure to US dollars arises primarily from its investment in the Quito Airport concessionaire. The functional currency of these entities is the US dollar. The impact of changes in currency rates for these investments does not impact profit or loss but is instead reported as currency translation differences in other comprehensive income. For these investments, the Company's sensitivity to a 10% change in the US dollar against the Canadian dollar as at March 31, 2015 would have been a change in comprehensive income of approximately $19,000.

The Company's sensitivity to a 10% change in the US dollar against the Canadian dollar as at March 31, 2015 to profit or loss for currency exposures other than those discussed above would be $1,400. 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.

26. 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 March 31, 2015, the debt to capitalization percentage including convertible debentures as debt was 40% (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 17% as at March 31, 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 March 31, 2015, the Company complied with all of its financial debt covenants.

27. 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.

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

	For the three months ended March 31, 2015					
	Infrastructure	Energy	Mining	Concessions	Other costs and eliminations	Total
Statement of income						
External customer revenue	$ 116,556	$ 247,619	$ 136,789	$ 556	$ -	**$ 501,520**
Inter-segment revenue	114	2,782	809	-	(3,705)	**-**
Total revenue	116,670	250,401	137,598	556	(3,705)	**501,520**
Which includes:						
Construction revenue	116,670	250,401	137,598	-	(3,705)	**500,964**
Concession revenue	-	-	-	556	-	**556**
Expenses	$ (137,666)	$ (257,390)	$ (124,554)	$ (2,680)	$ (4,353)	**$ (526,643)**
Which include:						
Depreciation and amortization	(3,899)	(3,936)	(7,460)	(20)	(1,638)	**(16,953)**
Other income (loss):						
Foreign exchange gain (loss)	$ 31	$ (920)	$ 103	$ 401	$ (401)	**$ (786)**
Gain (loss) on sale of property, plant and equipment	115	167	(990)	-	(37)	**(745)**
Gain on mark to market of LTIP program	-	-	-	-	154	**154**
Income from projects accounted for using the equity method	$ (191)	$ 36	$ 161	$ 8,333	$ -	**$ 8,339**
Operating profit (loss)	$ (21,041)	$ (7,706)	$ 12,318	$ 6,610	$ (8,342)	**$ (18,161)**
Finance income (cost):						
Finance income						**$ 254**
Finance cost						**(7,738)**
Fair value loss on convertible debentures						**(38)**
Loss before income taxes						**$ (25,683)**
Income tax recovery						**8,704**
Loss for the period						**$ (16,979)**

	Infrastructure	Energy	Mining	Concessions	Other costs and eliminations	Total
Balance sheet						
Segment assets	$ 673,542	$ 449,875	$ 418,683	$ 262,434	$ 65,386	**$ 1,869,920**
Which include:						
Projects accounted for using the equity method	21,100	1,605	8,427	243,680	-	**274,812**
Segment liabilities	$ 612,459	$ 63,226	$ 270,753	$ 183,605	$ 85,539	**$ 1,215,582**
Additions to non-current assets:						
Property, plant and equipment	$ 2,864	$ 819	$ 1,476	$ -	$ 618	**$ 5,777**
Intangible assets	$ -	$ 200	$ -	$ -	$ 7,425	**$ 7,625**

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

For the three months ended March 31, 2014	Infrastructure	Energy	Mining	Concessions	Other costs and eliminations	Total
Statement of income						
External customer revenue	$ 105,839	$ 247,949	$ 107,517	$ 568	$ -	**$ 461,873**
Inter-segment revenue	619	266	-	-	(885)	**-**
Total revenue	106,458	248,215	107,517	568	(885)	**461,873**
Which includes:						
Construction revenue	106,458	248,215	107,517	-	(885)	**461,305**
Concession revenue	-	-	-	568	-	**568**
Expenses	$ (127,882)	$ (248,102)	$ (104,231)	$ (1,807)	$ (8,226)	**$ (490,248)**
Which include:						
Depreciation and amortization	(4,101)	(3,749)	(7,327)	(177)	(1,474)	**(16,828)**
Other income (loss):						
Foreign exchange gain (loss)	$ 33	$ (199)	$ 377	$ 210	$ 20	**$ 441**
Gain (loss) on disposal of subsidiary	(2,555)	-	-	-	-	**(2,555)**
Gain (loss) on sale of property, plant and equipment	52	102	(251)	-	72	**(25)**
Income from projects accounted for using the equity method	$ 638	$ 207	$ 932	$ 5,544	$ -	**$ 7,321**
Operating profit (loss)	$ (23,256)	$ 223	$ 4,344	$ 4,515	$ (9,019)	**$ (23,193)**
Finance income (cost):						
Finance income						**$ 604**
Finance cost						**(11,747)**
Fair value loss on convertible debentures						**(1,705)**
Loss before income taxes						**$ (36,041)**
Income tax recovery						**10,140**
Loss for the period						**$ (25,901)**

	Infrastructure	Energy	Mining	Concessions	Other costs and eliminations	Total
Balance sheet						
Segment assets	$ 652,940	$ 672,288	375,606	$ 239,363	$ (70,764)	**$ 1,869,433**
Which include:						
Projects accounted for using the equity method	25,595	2,996	14,685	204,529	-	**247,805**
Segment liabilities	$ 588,934	$ 281,051	246,255	$ 191,487	$ (6,338)	**$ 1,301,389**
Additions to non-current assets:						
Property, plant and equipment	$ 3,152	$ 1,863	806	$ -	$ 478	**$ 6,299**
Intangible assets	$ -	$ 19	-	$ -	$ 7,693	**$ 7,712**

28. SUBSEQUENT EVENTS

On April 10, 2015, the Company sold its wholly-owned subsidiary, Innovative Steam Technologies Inc. ("IST"), to Fulcrum Capital Partners. 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.

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.

29. COMPARATIVE FIGURES

Certain comparative amounts for 2014 have been reclassified to conform to the presentation adopted in the current year. In the consolidated statements of income for the three months ended March 31, 2014, direct costs and expenses decreased by $3,368 and marketing, general and administrative expenses increased by $3,368.

AECON EAST HEADQUARTERS
20 Carlson Court, Suite 800
Toronto, ON M9W 7K6

PHONE: (416) 293-7004
TOLL-FREE: 1 (877) 232-2677
EMAIL: aecon@aecon.com

AECON WEST HEADQUARTERS
110 9th Avenue SW, Suite 300
Calgary, AB T2P 0T1

PHONE: (403) 695-3085
TOLL-FREE: 1 (800) 787-5008
EMAIL: aecon@aecon.com

INVESTOR RELATIONS INQUIRIES
EMAIL: ir@aecon.com

aecon.com