

Aecon Group Inc.
2014 Annual General Meeting
Wednesday, June 11, 2014

THE WESTIN EDMONTON
MANITOBA ROOM

As delivered

TERI:

It is a pleasure to be with all of you – Aecon’s diverse group of stakeholders – including my fellow directors, leaders, employees, shareholders, partners and members of the investment community.

This Annual General Meeting marks another step in the evolution of Aecon. Later today, at Aecon’s Board of Directors meeting, I will be appointed Chief Executive Officer of Aecon. I am humbled and grateful for this opportunity and I look forward to the challenge.

Today we’ll take a look back at our accomplishments in 2013, and to walk through the strategic map for 2014 and beyond.

It is with great pleasure that one of my first tasks as a Director is to pay tribute to one of Aecon’s longest-serving active employees in company history, responsible for building Aecon into the largest publicly traded construction and infrastructure development company in Canada – Mr. John M. Beck.

Shortly after graduation with an advanced degree in Civil Engineering from McGill University, John joined Prefac Concrete, his family’s precast business in Montreal, where the company quickly emerged as a leader in pre-stressed and pre-cast concrete structures and curtain walls, building large commercial office towers in Montreal and Calgary.

John led an ambitious strategy of mergers and acquisitions as well as significant organic growth over the next few decades, Under John’s leadership and guidance, Aecon has successfully integrated companies from across Canada to form a truly national company.

John’s early success and business savvy did more than build Aecon as a company...John also took a leadership position in the industry and today, his breadth of experience spans Aecon’s strategic market segments. John was recognized for his contributions by his peers and in 2011 was inducted as a Fellow of the Canadian Academy of Engineering.

John has substantial experience developing Canada’s energy sector and previously served as Chairman of the Board of the Ontario Power Authority. Under John’s guidance, Aecon has successfully executed a broad spectrum of energy projects – it was his vision that saw Aecon enter what is today one of our strongest segments.

Most recently, John spearheaded the acquisition of over five hundred pieces of mining equipment and assets previously owned by Cow Harbour Construction. The addition of this strategic mining expertise to our roster of capabilities solidified Aecon’s operational presence here in western Canada.

He also has significant experience developing P3s and concessions projects, most recently in Ecuador, where the success of the Quito International Airport P3 project recently earned John the Canadian Council of Public-Private Partnership's 2013 P3 Champion award.

At the grassroots level, John firmly believes in the importance of safety on the job site and the continuous wellbeing of our employees. We may be a large company, but to John we are a company that operates safely and responsibly and treats our employees like family.

Personally, I have been the fortunate recipient of John's continued mentorship – a guiding hand who instills confidence, inspires you to ask questions, and although he has an abundance of experience, he is never hesitant to go into uncharted territory if strategically suitable...the essence of a true leader. As a friend and colleague, his focus, diligence and wealth of knowledge and experience has served as the template for success.

Fifty years is an impressive accomplishment and a milestone worth celebrating. Please join me in congratulating John as he celebrates an impressive half century with the company. John, I look forward to working side by side with you as we continue to advance Aecon's strategy and deliver shareholder value.

JOHN:

Thanks Teri for those kind words and thank you to all of you. It has been a pleasure and privilege to serve as Chief Executive Officer of this great Canadian company. I have been a proud Canadian since my family and I moved here from Algiers when I was a very young boy. It is fitting then that Aecon has become a truly national Canadian company, with 12,000 hard-working men and women.

I take great pride as I reflect back on all the hard work, the wins big and small, the challenges, the changing landscape of the company, and especially the many people with whom I've worked alongside with and who have contributed to the Aecon we all know today. I have been fortunate to have passion for my work and I love what I do – and moving onward I am pleased to assume the full-time role of Executive Chairman.

I would also like to congratulate Teri on his new role as CEO: a well-deserve appointment indeed! I am confident he will lead Aecon with distinction and a relentless focus on execution. Teri has been a member of Aecon's executive committee since 2006, and has been with Aecon since 1996. He has more than 30 years of experience integrating and managing construction-related companies and has deep roots in the industries that Aecon operates in.

Teri has a deep understanding of the diversity and the complexity of Aecon's operating environment and the markets that we serve. He has assembled a high-functioning team with the required skill-set to work collaboratively – to perform safely and on target for our valued clients.

I'd like now to take this opportunity to say a few special words about an individual who is retiring from our Board after 14 years.

Rolf Kindbom first joined us through the Skanska Group of Sweden. Rolf has been a steady hand and his international business and project management experience has been invaluable. As a professional engineer, Rolf has made significant technical contributions to the development of Aecon.

On behalf of all my colleagues, I would like to thank Rolf for his years of commitment and service. Rolf, I personally thank you for bringing your wry sense of humour, and of course your intuition to the table. We will sincerely miss you on the board – but I look forward to staying in touch.

I know Rolf would now like to say a few words. Rolf?

Thanks Rolf. I would also like to thank each and every one of our continuing directors for their commitment and their dedication – we are fortunate to have such diligent board members from such diverse backgrounds.

Now let's have a look back on the progress Aecon made in 2013, and then walk through how we will continue this progress as we move onward through 2014 and beyond.

While 2012 was a year of re-definition, 2013 was a year of continued refinement and execution.

When I stood at this podium at last year's meeting, we committed to steady organic growth in our core market segments of Infrastructure, Energy, Mining and Concessions. There were **four strategic paths** that were going to take us to our destination – an overarching focus on profitability and operational discipline, improving Aecon's best-in-class safety and training programs, leveraging Aecon's diverse service offerings, and building strong strategic relationships and partnerships.

I am pleased to report that we have made progress on each of these four fronts.

The first path: an overarching focus on **profitability**. We remained focused on the bottom line and Aecon's 2013 results represent another year of solid progress, with revenue growing six per cent to over \$3 billion. Our focus on margin growth, operational discipline and profitability has borne fruit with 2013 seeing Aecon deliver adjusted EBITDA of \$184 million compared to \$172 million in 2012.

We continue to phase out lower margin work and incorporate our diverse expertise into larger, more sophisticated project delivery for our clients, which has seen us achieve an increase in margin embedded in backlog between 2011 and 2013 and that continues.

For the third consecutive year, on the basis of Aecon's continued financial progress, the Board of Directors approved an increase in the annual dividend to 36 cents per share, up from 32 cents per share, marking steady increases in our annual dividend.

Underpinning this financial **performance** is an ongoing focus on execution, operational discipline and risk management. To this end, we built out our project controls teams, embedding a detailed set of project criteria and risk management practices across the company, right through to all the boots on the ground. We launched Aecon's very own project controls curriculum through our Aecon University training platform. And of course all of this was supported by state-of-the-art, leading-edge technology.

Which brings me to the third path: Our **people**. A company's ability to demonstrate that it has industry-leading safety programs is an important competitive advantage in the construction industry. Last year marked another record year in safety performance for Aecon — proving that our Safety First core value is a fully committed part of our company's operations. And we were proud to be recognized as a Best Employer in Canada for the seventh year in a row.

The fourth path is **partnerships** which are at the core of who we are and a key component of our competitive strategy. Aecon has emerged as a Canadian partner-of-choice as a result of both our deliberate positioning on large, multi-year projects and our successful track record on completing them. These types of projects often drive higher margins and we have seen revenue from joint arrangements and partnerships in 2013 grow by fifty per cent, compared to 2012.

We also nurtured our relationships with key Aboriginal groups across the country, successfully partnering with First Nations educational organizations to provide training in their remote communities.

In 2013 we set out to fine tune these four components of our strategy and we did just that. We increased our profitability, improved our performance, attracted and retained talented people in the business, and became a partner-of choice. Now give you back to Teri.

TERI:

Aecon's partnering skills have paved the way to capitalize on opportunities across the country, evident in our portfolio of major projects.

Beginning in the west on Vancouver Island, Aecon was recently awarded the John Hart Generating Station civil construction contract in British Columbia, with approximately \$225 million in revenue expected to Aecon's account. Construction is set to start later this month.

In North Vancouver, our joint venture is installing the permanent linings in the shafts for both the Capilano and Seymour tunnels, with completion expected in the fourth quarter of this year.

Our joint venture has been working on the Port Mann water supply tunnel under the Fraser River in Vancouver. Over 60 per cent complete, the shaft excavation and

permanent lining construction on both sides of the river is nearing completion and the south shaft tunneling is in progress.

Also in B.C., the Waneta Dam expansion project, another joint venture, is in its last year of construction for this 335 megawatt facility. We are nearing completion of the intake structures.

Moving over to Alberta, we were pleased to announce that we were awarded a contract by Lafarge Canada for the erection of a preheater tower, rotary kiln and cooler equipment for the Exshaw Expansion project...

Aecon's entry into the mainline pipeline business is a key success story. Through a joint venture with Robert B. Somerville, Aecon is constructing Inter Pipeline's expansion of the Cold Lake and Polaris pipeline system in northern Alberta. This summer will see us begin the last section that runs from Fort Saskatchewan to Edmonton. I have no doubt we will finish this project on-time with very strong safety and quality performance.

At Syncrude's co-gen site north of Edmonton, the FEED stage is nearing completion, the detailed engineering has begun, and site mobilization starts next month.

In Edmonton, the Northeast Anthony Henday Drive project is progressing well, with most of the earthworks scheduled for completion this year, and crews commencing major paving operations.

In Saskatchewan, the City of Regina recently announced that EPCOR Saskatchewan Water Partners, of which our subsidiary Lockerbie Stanley is a member, is the preferred proponent to build Regina's new wastewater Plant.

Aecon also announced today that we've been awarded a contract by K+S Potash Canada for work on their Legacy mining project in Saskatchewan for early cavern development which involves mechanical, electrical, piping and instrumentation work.

In northern Ontario, we are hard at work on the massive Lower Mattagami hydroelectric project. This project is eighty five per cent complete, with remaining work including the removal of the Smoky Falls cofferdams, as well as electrical and commissioning activities.

We were very pleased to recently announce that our consortium was awarded the contract to develop the Stage 1 Region of Waterloo Light Rail Transit project in Ontario – with a value for Aecon of \$250 million. Construction is expected to commence later this month.

We are particularly focused on developing transit systems – also evident by Eglinton Crosstown Tunnel project in Toronto. This project has just started with early works of traffic realignment and utility relocations. Shaft work will soon commence.

An Aecon JV was also recently awarded the York Viva Bus Rapid Transit project in York Region with an expected \$130 million in revenue to Aecon's account.

And, work on the southern portion of the TTC's Spadina subway line in Toronto is over eighty five per cent complete and the team is now focused on station construction, final grading and commissioning.

Toronto's Air Rail Link project – or Union Pearson Express as it is now known, another joint venture project is progressing well with the station at Terminal One slated for completion later this month.

For the landmark Union Station project, Aecon has successfully completed the Atrium steel structure, which was a significant milestone for the project and is now working on a unique stage of the project – the restoration of the historical structures of the building.

Also in Ontario, I am confident that the Darlington refurbishment project will become a case study in project management and execution. The completion of the mock-up facility – the first of its kind, was ahead of schedule and on-budget.

And, lastly, in early 2013 we witnessed the flawless opening of the Quito International Airport – an outstanding example of a successful public private partnership. We are currently in discussions regarding this strategic initiative with respect to monetizing Aecon's interest in the Quito Airport concession.

This snapshot of our major projects does more than highlight what we are working on and our footprint – it showcases the broad range of unique services Aecon offers under the "One Aecon" umbrella, PLUS it demonstrates Aecon's perfected partnering skills – leveraging our Canadian expertise to access larger, more complex projects in partnership with the best in the business.

As we move onward in 2014, Aecon's business strategy remains focused on building upon our financial strength and the four paths: People, Profitability, Partnerships, and Performance – The Aecon Advantage. It is not from a lack of creativity that our strategy remains the same – we are staying the path, with small tweaks along the way.

Aecon's overarching mission is improving performance and profitability to deliver superior shareholder value through higher margin work, and a culture of excellence. Backlog stood at \$2.2 billion as of March 31, 2014, and additionally, recurring revenue currently represents approximately 25 per cent of overall revenue and is \$769 million on a trailing 12 month basis.

As we move onward in 2014, the key tangible components for our successful strategy are:

1. Aecon's turnkey capabilities embodied in the 'One Aecon' service offering, enhancing client value and enabling us to compete for business on the basis of more than just price, and creating cost savings for both Aecon and our clients through economies of scale and resource sharing.

2. A focus on cash management and capital discipline led by our Executive Vice President and Chief Financial officer David Smales. In particular, this year we will be working on improving the billing and cash collection cycle.
3. Increasing higher-margin work in the Energy and Mining segments, particularly in Western Canada. A significant example of this strategy is Aecon's entry into the large pipeline business. We also expect the company's Energy segment revenue and backlog will increase in its relative weighting and will ultimately make a favourable contribution to overall adjusted EBITDA margin. As evidence of this trend, the Energy segment represented 45% of revenue in 2013 compared to 35% in 2012.
4. As John said, partnerships and joint venture arrangements are an increasingly significant dimension of the company's strategic plan. Aecon-led partnerships such as the John Hart hydroelectric project, the Eglinton Crosstown tunnel project and the Waterloo Region LRT, are examples of Aecon becoming 'the' Canadian partner-of-choice.
5. Position Aecon to participate in the significant, multi-year LNG opportunities on the horizon.
6. In our Concessions segment, build upon Aecon's expertise in the P3 space by successfully partnering in targeted strategic opportunities.
7. For the Mining segment, we will focus on improving the utilization of Aecon's fleet of equipment. And, evident by the new contracts we announced today, we continue to get new work in Mining, increasing the scale of mining assignments, while focusing on execution.
8. Achieve further operational efficiencies and synergies from an ongoing focus on risk management and project control initiatives.
9. Lastly, we will continue to focus on our target of 9 per cent Adjusted EBITDA margin in 2015.

I'll now turn it over to John, who will provide insight into the outlook in our targeted markets.

JOHN:

Thanks Teri. As I mentioned, Teri and his team of leaders work side by side with all of our dedicated employees from coast to coast. We appreciate all the hard work our employees put in day in and day out – it is by the strength of our people that we have achieved greater heights and it is through the renewed focus of the collective Aecon team that we will continue to climb.

Aecon entered 2014 with a positive outlook based on our strong backlog and recurring revenue, balanced and diversified portfolio of work, and increasingly strong demand for construction services in our core markets of Infrastructure, Energy, Mining and Concessions.

Our positive outlook remains, although we anticipate results to be even more weighted to the second half this year than is usually the case.

Due to the large, multi-year projects Aecon is pursuing, our backlog is subject to greater variability. In the first quarter of 2014, the Company was awarded contracts for a total value of \$867 million as compared to \$212 million in the first quarter of 2013, leading to

a backlog of \$2.2 billion at the end of the first quarter of 2014 – some \$400 million higher than at the end of 2013, not including the \$100 million in contract awards we announced today. And, as we mentioned before these numbers don't include recurring revenue which is \$769 million on a trailing twelve month basis, and doesn't include recent wins and announcements.

In our Infrastructure segment, we are well positioned to capitalize on the growing demand to renew and expand Canada's vast infrastructure network. The Government of Canada's New Building Plan includes \$53 billion in multi-year infrastructure funding and development. The mix of work is improving particularly with more transportation-related and heavy civil work. Moving forward, we are also pursuing a number of water and waste-water projects.

We continue to experience a strong environment and outlook in the Energy segment, with Aecon's joint venture with Somerville representing about one-quarter of the capacity in Canada for undertaking large-diameter pipeline utilities work. Moreover, many opportunities exist in the oil and gas space, including cogeneration capacity and ongoing fabrication and module assembly services that we are well positioned for. The nuclear energy sector in Ontario is active with refurbishment plans underway at the Darlington as well as the Bruce nuclear generating stations. We are also actively pursuing opportunities related to the provision of power as well as the infrastructure required to support the development of LNG projects in British Columbia. Our Energy segment's progress continues to be solid and growing and we anticipate continued strength with backlog already at substantial levels.

In Mining, the development of natural resources remains a priority and provincial governments have made strong commitments for both the Ring of Fire in Ontario and Plan Nord in Quebec and Aecon is well-positioned for both of these opportunities.

So, in closing, let me say a big thank you to each one of our 12,000 employees. With a balanced and diversified portfolio of work, strong backlog of higher margin contracts, capabilities to self-perform work required on significant projects, focus on execution and risk management, Aecon anticipates that we will continue making progress towards our adjusted EBITDA margin target of 9 per cent in 2015.

We are proud that Aecon is Canada's *premier* construction and infrastructure development company.

Thank you for your continued support.

We would be pleased to respond to any questions.