

**Aecon Group Inc.**  
**2015 Annual General Meeting**  
**Tuesday, June 9, 2015**

**Design Exchange**  
**Toronto, Ontario**

**As delivered**

## TERI:

Thanks John. Good morning. I am pleased to be here with you today to report on Aecon's performance and achievements in 2014 and our plan for 2015 and beyond.

Welcome to my fellow directors, leaders, employees, shareholders, partners and members of the investment community.

Over the course of the last few years, Aecon has become a national company, with unparalleled turnkey capabilities, while being recognized as a reputable partner-of-choice. We have been methodically building Aecon with all the components required, making them work like a well-oiled machine, to best serve our clients and shareholders.

Last night and this morning we announced two catalysts for Aecon's growth – the selection of Aecon's consortium as preferred proponent for the Eglinton Crosstown LRT project and the monetization of Aecon's interest in the Quito International Airport concessionaire. These announcements exemplify the strategy of the company and crystalize the success of that strategy.

2014 was a transformational year for Aecon and a number of objectives were accomplished this past year, most noteworthy of which was a record year on the safety front.

As our number one core value, safety is an inherent part of Aecon's culture. In 2014, we had just one Lost-Time Injury while performing 19.2 million man-hours of work – a direct result of an unwavering commitment to safety by all Aecon employees. From 2006 to 2014, Non-Lost Time Injuries have been reduced 69%. And, I am happy to say currently we are on pace to reduce that even further to 75% in 2015. But, we fully understand that we can't rest on our laurels and accept even these reduced numbers.

Over the last few years, the Aecon safety program has made a significant shift towards leading indicators versus trailing indicators. By addressing and analyzing proactive behaviours, we can better anticipate opportunities to prevent accidents and injuries. Essentially, getting ahead of potential issues through risk assessments and training.

We have a large number of leading indicating initiatives at Aecon. One such initiative that also signifies a construction industry first is the Failure Mode and Effects Analysis (FMEA) system. Leading edge organizations like NASA also use this system to identify potential safety issues and correct them before they do harm.

Some of the unique safety programs we have recently launched include:

- ✓ The Safety Opportunity program which provides a process for reporting and making suggestions towards safety opportunities in the Aecon workplace with coordinated follow-up
- ✓ New worker training and mentoring with a unique identifying green hardhat which allows other site employees to recognize someone new at the site.

To say the least Safety is paramount – from myself to every front-line employee, the responsibility for ensuring every Aecon worker gets home safely to his or her family every day is a responsibility equally shared among all of our employees.

There is also another significant dynamic to Aecon and one that isn't new to us. Corporate Social Responsibility or CSR as it is widely known. We've always recognized and been proud of *Building things that matter*. It's only fitting then, that when it comes to corporate social responsibility, "How We Build Things Matters" should serve as our motto to aptly define CSR here at Aecon.

We are pleased to launch Aecon's inaugural Corporate Social Responsibility report. While all of these activities shared in the publication have been ingrained in our culture...in our very DNA, this is the first time we've presented them as a whole and I encourage each of you to take a copy (you can also view it on our website) and have a read.

I am most proud of the people who stand behind this company. At all levels of the organization, we have people who set the tone and drive responsible, accountable and ethical behaviour, all actions befitting a top-tier construction company.

Together we strive to deliver projects that support our economy and society in positive ways that are sensitive to the needs of the communities in which we operate and the environment that will be passed on to future generations. From the vast array of active volunteering Aecon employees commit to, team fundraising events like the Enbridge Ride to Conquer Cancer... and to engagement of Aboriginal communities and operational environmental initiatives such as our anti-idling program – all of these efforts make-up Aecon's holistic approach to CSR.

On top of that, the very work Aecon performs is often of an environmentally sensitive nature and we have the unique skills to innovatively approach these projects. Examples include how we built catwalks for workers on the Salmon River Bridge near Belleville to prevent erosion of the area which is designated an area of Natural Scientific Interest, and the building of a dam to protect the endangered Blanding turtle on our Terry Fox Drive road project in Ottawa.

On the Waneta hydroelectric expansion, construction came to a halt for the birth of a mule fawn until it was strong enough to move away from the area. To protect reptile movement of the Rubber Boa, snake crossing signs and drift fencing were placed along the road, and barriers with large scuppers were installed. Aecon in particular manages these sorts of variables flawlessly. It is a skill set that our clients have come to expect and gives us the social license in which to operate.

From a diversity perspective, we are pleased to be seeing an influx of female university grads with unrelated degrees joining the trades workforce. The federal government has noticed this trend and are keen to work with us closely to harness the power of this untapped source of workers. We are also extremely proud of grassroots groups such as the Women of Aecon Group.

I want to personally thank our employees for truly living our culture of corporate social responsibility. Together, we will continue to build things that matter and do so in an ethical and socially responsible, sustainable manner.

For the eighth straight year, Aecon was recognized as one of the Best Employers in Canada – another accomplishment we owe to our employees and one we are very proud of. Our people at Aecon make us a leader in construction and infrastructure development. We strive to hire the most talented, dedicated and qualified people in the business and invest in them by offering unique employment opportunities and career-long learning experiences.

And with every single project we undertake, it is the cumulative combination of people working together that forms the trusted partnerships upon which Aecon builds its success. Whether they are our valued clients, joint venture partners, subtrades, suppliers, Aboriginal communities or governments, we are proud of these sustainable partnerships built on the strength of shared visions and mutual core values.

Yesterday, Aecon was pleased to announce that we have signed agreements with Grupo Odinsa S.A. and CCR S.A. to sell our 45.5 per cent interest in the Quito International Airport concessionaire, for US\$232.6 million. The monetization of Aecon's investment is expected to generate approximate net cash proceeds (after transaction costs and estimated cash taxes) of US\$195 million, and a pre-tax accounting gain of approximately US\$14 million, further strengthening Aecon's strong balance sheet.

The successful monetization of this asset is a testament to the value proposition of the project and the value of our select participation in international P3 projects.

Turning to financial results, the year marked continued margin improvement despite lower revenue, with Adjusted EBITDA margin of 6.5 per cent for the year – the highest in Aecon's history.

We were also pleased to report unprecedented annual new contract awards of \$3.5 billion (a 45 per cent increase over 2013), record year-end backlog of \$2.7 billion (a 50 per cent increase over 2013), and at the end of the first quarter of 2015 record backlog of \$2.8 billion, and doesn't even include the impact of the sizeable Eglinton Crosstown LRT project. Backlog in each of our major operating segments of Infrastructure, Energy, and Mining improved year-over-year. And, not included is the growing number of alliance and supplier-of-choice arrangements Aecon has – I'll touch upon this in a few moments.

Delivering shareholder value and returns is Aecon's core objective and in that regard, for the fourth consecutive year, Aecon's Board of Directors approved an increase in the annual dividend to 40 cents per share from 36 cents per share.

I'd like to walk through how Aecon has transformed into a vertically integrated business with unrivalled capabilities underpinned by four differentiators – Partnerships, Turnkey Capabilities, Reputation and Execution.

Let's start with PARTNERSHIPS. Forming strategic partnerships is a key component of Aecon's competitive strategy and a major differentiator when bidding on large projects. Since 2013, Aecon has pre-qualified on 23 out of 26 submissions – an 88 per cent pre-qualification rate. And, of these projects, Aecon has been awarded seven of the 14 major projects pursued over the past two years.

As I mentioned at the top of my remarks today, we were extraordinarily pleased to announce that Aecon's consortium has been selected as the preferred proponent for the Eglinton Crosstown LRT project – one of the largest P3 infrastructure projects of its kind globally. Aecon has an equal 25 per cent interest in all steps of the project from development and construction to operation and maintenance of the 19 kilometre line for a 30-year term. The project includes 25 stations, an integrated system of track work, rolling stock, signaling and communications infrastructure.

Strategically, this type of mega project is directly in our sought after laneway and a historic announcement for Aecon, as we see the hard work of positioning the company as a global transit leader, paying off. Indeed, this is a watershed moment for the company.

Over the course of the last few years, we have continued to deepen our portfolio of large-scale projects including:

- ✓ The John Hart Hydroelectric project in B.C.
- ✓ North West Redwater Partnership Sturgeon Refinery in Alberta
- ✓ Northeast Anthony Henday Ring Road in Alberta
- ✓ Syncrude Cogen Plant also in Alberta
- ✓ Regina Wastewater Treatment Plant in Saskatchewan
- ✓ K+S Potash Legacy Mine Site also in Saskatchewan
- ✓ The Eglinton Crosstown Tunnel project right here in Ontario
- ✓ Viva Rapidway Bus Rapid Transit in Ontario
- ✓ Waterloo Region LRT also here in Ontario

The number of these large-scale projects Aecon participates in has grown, as has our share in these projects, and Aecon is increasingly leading such major project pursuits – each of which will contribute to Aecon's continued growth.

Aptly named, Public-Private Partnerships are directly in Aecon's wheelhouse as the Canadian Partner-of-Choice – forming partnerships with our peers to deliver public infrastructure on-time and on-budget. In fact, over the past few decades, Aecon has been involved in 29 P3 projects in various capacities – developer, builder, operator or all of the above –with a total capital value of over \$15 billion – across the toll road, transit, healthcare, energy and water sectors.

Aecon's second differentiator: TURNKEY CAPABILITIES. As one of the most vertically integrated Canadian contractors, Aecon offers clients on-demand turnkey capabilities through a diversified portfolio of services with the ability to self-perform the majority of scope.

Driven by the 'One Aecon' approach which we laid out four years ago, we have created synergies and cost savings for both Aecon and our clients through economies of scale and resource sharing.

Each day we see the benefits of pulling together all of our capabilities; providing capital efficiency for our clients. We are now brought into the early stages of capital projects, and able to proactively bid on projects.

The third differentiator: REPUTATION. Aecon's reputation is second to none.

Aecon's exemplary record of business conduct, reputation as a preferred contractor and safety leader, coupled with our value as an Employer of Choice, has led to repeat work with top tier clients across our core segments. An example of this is our work in the energy segment with North West Redwater Partnership on their Sturgeon Refinery project in Alberta. In the fourth quarter last year, Aecon was awarded a \$75 million contract for structural steel erection, fabrication and module assembly and most recently we were awarded a \$109 million contract for additional modular work at their Sturgeon Refinery.

On the Mining side, Aecon has been awarded repeat work with K+S Potash Canada at their Legacy Mine project in Saskatchewan, most recently being awarded a mechanical contract, and have been awarded work for Vale Newfoundland & Labrador's Long Harbour processing plant.

The benefits have also been seen from the significant volume of recurring revenue from Aecon's growing alliances and supplier-of-choice arrangements, as Aecon is increasingly seen as a partner to our clients. These types of agreements signify Aecon's strength in delivering consistent results for our clients, and becoming a valued partner to them. In 2014, this recurring revenue represented 26 per cent of revenue, up from 11 per cent in 2010.

Take for instance the three Master Service Agreements (MSAs) with key clients in the power sector we recently announced – valued at an estimated \$85 million in annual revenues that Aecon secured. These are for a broad range of work including engineering, and construction services, hydro installations, and plant modifications. Each one is evidence that Aecon delivers for our clients and can be relied upon to help them meet their strategic objectives.

Aecon's reputation is second to none and directly impacts the bottom-line through such repeat work.

And the fourth differentiator which has been of intense focus here at Aecon: EXECUTION. Aecon has a proven track record of successfully executing large and complex projects on-time and on-budget. Underpinning Aecon's project delivery is a rigorous commitment to project controls and risk management, with a focus on world-class systems and tools. Much work has been done to standardize core operating and

transactional processes and streamline and optimize key IT systems and applications across the entire company.

These elements are intricate components that make up the well-oiled machine which operates within Aecon.

I am proud of the teams that have brought several large-scale projects to successful completion through this focus on execution including:

- ✓ The Waneta Dam hydroelectric project where Aecon has performed technically challenging heavy civil work in an environmentally sensitive area, bringing 350 megawatts of clean, reliable hydroelectric power annually to British Columbia.
- ✓ The Lower Mattagami hydroelectric project in northern Ontario – A \$1.7 billion design-build joint venture for Ontario Power Generation.
- ✓ And just launched this past weekend the UP Express air rail link – a formidable sight to see. Aecon's JV designed, built, and financed the three kilometer elevated guideway, rising above the traffic to connect the existing Georgetown GO Transit line to Toronto Pearson, as well as a passenger station at Terminal 1.
- ✓ Also, our successful joint venture with Robert B. Sommerville completed Inter Pipeline's expansion of their Cold Lake and Polaris pipelines in Alberta – let's take a look at this video which shows the incredible work the Aecon utilities team performed.

The energy in that video is great – it gives you a glimpse into the interesting work Aecon teams are performing right across the country. Just these four projects showcase the diverse range of expertise Aecon brings to the table – from hydroelectric heavy civil work, complex and groundbreaking transportation projects, and our fair market share of underground pipeline work. And that is just a glimpse.

Now mid-way through 2015, all major projects in backlog are proceeding well and we remain focused on securing the right type of work, and execution and risk management to ensure that our margin progression continues.

Let's take a closer look at **Aecon Infrastructure**, which brings a unique blend of expertise to Canada's vast infrastructure network including rail and transit, roads, bridges, tunnels, hydroelectric heavy civil works, water treatment facilities, and airports. This segment represents about a third of our annual revenue. In addition to the new projects now underway, a large number of major projects are currently being pursued and due to be awarded in 2015, including many of which Aecon has already prequalified for. Aecon's exemplary pre-qualification record on major infrastructure projects (which is at about 90% over the last few years) demonstrates Aecon's expertise and capability to deliver large, complex, multi-disciplinary projects. We expect to continue to win our share of these awards with our partners. The strong backlog and pipeline of opportunities in Infrastructure is expected to lead to both revenue and margin growth in 2015 in this segment.

**Aecon Energy** represents nearly half of annual revenue and serves the nuclear, oil & gas, pipeline, utilities, cogeneration and fabrication sectors. In the Energy space, new opportunities are emerging for fabrication and module assembly work, with our fabrication shops for the first time at full capacity. As well, we continue to see record new opportunities for utility communications work, and a growing demand for pipeline integrity work. In the near term, the demand for utilities work, power and nuclear refurbishment, and fabrication and module assembly services is expected to remain strong.

Aecon Mining entered 2015 in a strong position as a result of new work secured in 2014, with record mining backlog of \$436 million. We were happy to be awarded work on the Rainy River project – the first gold development project in Ontario in a few years. As we move forward, we will continue to 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, such as the K+S Legacy project I mentioned before.

Volume in contract mining may see some pressure in 2015, however in this regard, Aecon has secured new work in the oil sands at the Fort Hills development. Opportunities are also being pursued to increase non-oil related work carried out by the contract mining fleet, as well as optimization of Aecon's fleet.

**Aecon Concessions** continues to partner with Aecon's other segments to focus on the significant number of Public-Private Partnership opportunities ahead of us, which Aecon is primed to respond to and John will speak to in a few moments.

With our turn-key offering, Aecon Concessions works seamlessly with all of Aecon's segments, which is integral to successful awards such as the Air Rail Link, Waterloo LRT and the Eglinton LRT.

As we move through 2015, we expect the strong pipeline of infrastructure projects being pursued and the demand for Aecon's broad spectrum of services in the Energy and Mining segments will continue to contribute to margin growth.

I'll now give the podium to Aecon's Executive Chairman to speak to Aecon's strategic plan for 2015 and beyond. John?

**JOHN:**

Thanks Teri.

As we move forward, these solid financial results have been underpinned by a clear strategic path, which has driven Aecon's evolution to becoming a Canadian leader in large-scale, turnkey project delivery. We remain focused on operational execution, project controls, and risk management – all within a disciplined framework towards bottom-line growth.

This year and into 2016 there are a few particular standout initiatives we will strategically focus on including:

- World-class project controls with a particular emphasis on large-scale projects;
- Launch of both the Mining Diamond safety program to focus on high severity events and the Safety Training And Records (STAR) Program – a system to track and manage all safety related training and certificates for all employees;
- Leveraging Aecon's Public-Private Partnership (P3) expertise by successfully participating in targeted strategic concession opportunities in Canada and on a select basis, internationally;
- Strategically driving future participation in the rapidly developing P3 market in the U.S., bringing Aecon's project development expertise to this burgeoning P3 market; and

Lastly, what will be one of our greatest achievements of 2015 is the monetization of Aecon's interest in the Quito Airport concessionaire. This project has an incredible history and it has been a pleasure to be a part of this landmark P3 airport project for Ecuador and Latin America.

As Teri spoke to, a key component of Aecon's operational diversity strategy is the development of its vertical and horizontal integration capabilities. The ability to self-perform a great breadth of services required at virtually every stage of a project, from site clearing to final construction, often including complete procurement services, is a growing competitive advantage for Aecon – what we call the Aecon Advantage.

Increasingly, Aecon-led partnerships with some of the world's leading contractors demonstrate the reputation and credibility Aecon has established with respect to large, complex, multi-disciplinary construction and infrastructure development projects.

The overarching goal of ongoing Adjusted EBITDA margin improvement remains. We will continue to be guided by a focus on the bottom-line rather than just top-line growth and on operational metrics to manage business performance in line with world-class margins – which combined with a focus on cash management and capital discipline is designed to deliver superior shareholder value. This goal will be met through:

- Leading partnerships and/or participating in larger scale, longer-term, more complex projects which drive higher margins, particularly in the Infrastructure segment;
- Phasing out lower-margin general contractor and sub-contractor type work previously undertaken in the Social Infrastructure sector through the Buildings and Mechanical Contracting businesses and incorporating this expertise into larger, higher margin Aecon projects;
- Achieving operational efficiencies and synergies from an ongoing focus on risk management, state-of-the-art information technology and project control initiatives designed to ensure a more consistent and improved conversion of bid margin into final executed contract margin.

In our Infrastructure segment, we are well positioned to capitalize on the growing demand to renew and expand Canada's vast infrastructure network and on a strategic basis in the U.S.

This is a pivotal time for Canada's nation building; in particular the unprecedented transit build-out planned over the next decade. The Government of Canada's New Building Plan includes \$53 billion in multi-year infrastructure funding and development, on top of substantial commitments from provincial governments including \$6.7 billion over five years in Alberta's Capital Plan and Ontario's Moving Forward plan increased to \$31.5 billion over the next decade, and that doesn't include spending at the municipal level.

The mix of work is improving particularly with more transportation-related and heavy civil work, which is characterized by long-term projects which provide great visibility to our backlog, such as the Eglinton Crosstown project which in itself contributes to our backlog for the next five years. Moving forward, we are also pursuing a number of water and wastewater projects.

In the Energy sector, utilities opportunities are looking strong as we increase our market share in this space, and solid opportunities exist in pipeline integrity programs to maintain and upgrade existing pipelines. We are primed to work on the proposed large pipeline projects across the country, as well as significant nuclear opportunities.

In Mining, our sound backlog position in this segment, paired with recurring revenue which accounts for approximately forty per cent of Mining revenue is expected to hold this segment in good stead.

Overall, Aecon's diversified portfolio of work with record year-end backlog, focus on execution, reputation as a partner-of-choice, diverse targeted sectors, and strong financial resources (and soon to be even stronger), continue to be key strengths in capitalizing on the domestic and international opportunities ahead.

On behalf of the Board of Directors, we thank you for your continued support as Aecon becomes *Canada's premier construction and infrastructure development company...truly a company built for success.*

We would be pleased to respond to any questions.