



**Aecon Group Inc.
2008 Annual General Meeting
June 17, 2008**

“A Time to Build”

Check against delivery

<John Beck>

As has been our practice at past Aecon annual meetings, this presentation is a joint effort. But while Scott Balfour and I are the ones that are standing before you, what we will be sharing with you is the product of the determination and skill of the entire Aecon team.

The members of that team who are here with us today were introduced a little earlier. I would like to recognize them for making 2007 the most successful year in our history ... so far!

Last year, Aecon came of age and entered its prime. For a company that is now in its 98th year, I'm sure there is an amusing line in there somewhere about a little blue pill ... but I don't think I'll go down that path.

Besides, it would not do justice to the work of the people whom you have just applauded to suggest that our success has been achieved by something as simple as taking a pill.

Aecon's prescription for success is more complex ... and we believe significantly more enduring.

Last year Aecon reported net income of 48.3 million dollars on revenues of just under one-and-a-half billion dollars.

On a per share basis, 2007 delivered fully diluted EPS of one dollar and sixteen cents.

Some of you will remember the stake that we drove in the ground at our 2006 AGM when we said that management had set an EPS target for 2008 – this current fiscal year – of 75 cents.

Back then, some people in the room viewed this as, shall I say, an ambitious stretch target.

Their guarded enthusiasm was understandable. They did not have the benefit of our perspective.

When it became apparent that we would exceed this target – more than a year ahead of schedule – we decided to let the results speak the volumes that guidance can never equal.

<Scott Balfour>

We saw the trends that would drive Aecon's improving financial results as early as mid 2006. They were possible, in our view, because of two converging developments – one internal and one external:

First, over the previous 24 months, we had improved our internal procedures and controls. We also narrowed our strategic focus and picked the sectors where we believed we could win profitable business.

We strengthened the role of our Proposal Review Committee to give us greater certainty that the work we secured would deliver the margins that we expected.

We invested more in developing our people, and in ways to make our relationships with our customers more resilient.

We also realigned our sights to focus more of our resources on pursuing opportunities in the Canadian market.

Externally, we saw macro forces driving demand for construction services in segments where we had proven capabilities.

As the data would soon bear out, Canada was about to become one the busiest construction markets in the world.

With these converging developments at play – and the evidence of stronger markets showing up in our backlog – we believed it was important to drive the 75 cent EPS stake in the ground.

We wanted investors to understand that Aecon's future financial performance was about to significantly change for the better.

The impact of more strategic bidding and tighter internal controls first began to really impact our bottom line in the second half of 2006.

While 2006 revenues were flat compared to the previous year, our gross margin increased from 6 percent to 8.7 percent.

Most of this margin improvement fell right to the bottom line, and allowed us to deliver fully diluted EPS of 31 cents versus a loss of 16 cents in the previous year.

This set the stage for our 2007 results, where we grew margins to 9.6 percent – and combined this margin growth with top line growth of 34 percent.

Again, most of this improvement fell to the bottom line, and Aecon ended the year with fully diluted EPS of \$1.16.

And, because of our confidence in the ongoing strength of our core markets, we stepped forward and declared an annual dividend of 14 cents a share ... a move we built on earlier this year when we increased this annual dividend to 20 cents.

As impressive as our financial performance was in 2007, it was not the only area where Aecon excelled.

Late last year, Aecon reached an important milestone in terms of our profile in the investment community with our inclusion in the TSX composite index.

Then, in January of this year, we were recognized as one of Canada's fifty best employers ... an important achievement that we are especially proud of because attracting and retaining the best talent in the business is crucial to our success in this market.

Clearly a number of things had changed for the better to make all this possible.

But, our message to you today is not about the past ... it's about the future.

It's about the confidence we have that Aecon is only beginning to deliver on its potential.

It's about the long-term strength of our markets and about what we are doing to grow our business in these markets.

<John Beck>

In short, what we are really saying is that we believe you've not yet seen the dawn of the day ... the year ... or even the decade of our best performance.

We believe that Aecon's best performance is yet to come.

In case all of the construction cranes that dot our urban skylines do not convince you, it is now official ... according to Statistics Canada ... we are in the midst of a boom in the construction and infrastructure development business.

From the mid '90s through 2007, the total dollar value of non-residential building permits issued in this country increased at an average annual rate of nearly eight and a quarter percent ... from 11.1 billion dollars to more than 28.7 billion dollars.

This trend shows no sign of abating. Data from StatsCan published a couple of weeks ago, showed the seasonally adjusted increase in non-residential permits issued in April was up 16.5 percent over the previous month.

All of this is good news for Aecon ... but it begs the question: "why is it happening?"

While there are many forces that have contributed to this trend, I want to focus on a few that are particularly meaningful for the segments where we are active:

- Aging infrastructure
- High energy prices
- Growing power demand, and
- Changing demographics

We have talked before about the infrastructure deficit and how this has created a backlog of road building projects.

To put this in perspective, here are a few key infrastructure facts based on recent data published by Statistics Canada:

- The size of the broadly defined infrastructure deficit was estimated at approximately 95 billion dollars ... and several other estimates put it at over 100 billion dollars;
- About 28 percent – almost a third – of this infrastructure ... is more than 80 years old;
- Nearly 80 percent of the life of Canada's current civil infrastructure stock has been used up.

<Scott Balfour>

The key point is we're going to have to make significant investments in our transportation infrastructure if we want it to meet our needs in the years to come.

With more fiscal capacity, governments are starting to turn their attention to the infrastructure file and allocating additional resources to fund these projects.

And, as we'll discuss shortly, they are also pursuing more innovative ways to develop, fund, build and operate these projects.

Another powerful force driving growth in our business has been the sustained increase in world energy prices.

In the last five years, the world has seen the price of oil increase from less than \$40 a barrel to more than \$130.

Fully one quarter of this increase has taken place in the last six months.

The Saudis say the current price is unjustified ... the World Bank expects it to stay in the \$110 range for the next three to five years ... others say this is only the beginning of a trend that will lead us to \$300 oil.

But, while the near term direction of the commodity price may be uncertain, what is clear is that we are now living in a very different energy world than we were even a few years ago.

And this new energy world now turns on the axis of places like Fort McMurray where one of the largest construction undertakings ever planned by mankind is taking shape.

This year alone, nearly \$20 billion is expected to be spent on construction and equipment to support the development of the oilsands.

The total expenditure estimates for the oilsands keep escalating and the urgency of development timelines keep getting stretched.

About the only thing that remains certain is that the world needs Fort McMurray's oil.

But increasing oil prices are not the only trend impacting the energy sector today.

The current projections of the Ontario Power Authority tell us that the amount of power we consume in this province will exceed the amount of power that we produce from our currently installed generating facilities some time in the next three years.

As the current generating infrastructure ages, or is taken out of service for environmental reasons, we are going to rely more and more on electricity from power generators that have not yet been built.

<John Beck>

In less than 20 years, most of the power we consume in Ontario will come from generating facilities that at this moment ... are nothing more than an engineer's calculations or a technician's conceptual drawings.

That is a lot of industrial and civil building activity that has to be completed in a very short time span.

Finally, we have the powerful influence of demographics. The Canadian population is changing ... it's older, it's healthier and, from an immigration perspective, it's newer and more diversified than it was in the last century.

In 1921, the proportion of the population under 65 versus over 65 was twenty to one. Basically there was only one old guy like me for every twenty young guys like Scott Balfour.

But by the beginning of this century, there were only eight "juniors" for every senior.

Of course as "he" gets older, this problem gets worse. It is projected that by 2041, one in four people in this country will be over the age of 65 ... including Scott Balfour.

As a result of these changes, our social services, and the facilities we use to deliver them – from education to health care – are being rethought, restructured and in some cases rebuilt, to serve our current and future needs.

Taken together, these forces are creating a very strong demand for construction services in this country, and Aecon is riding this wave.

While all boats are rising on this tide, we plan to stay firmly anchored in waters where we know we have a competitive advantage.

Aecon is not your average construction company. We have very special skills and resources that differentiate us in the market and yield better returns. And there has never been a better time for us to exploit these advantages.

We understand our core strengths and we've positioned ourselves primarily in four market segments where we can use these strengths to deliver optimal financial performance for our shareholders:

1. Transportation infrastructure in Ontario and Alberta

As the world's second largest country by geography, Canada's economic prosperity is directly tied to the capacity and efficiency of our transportation infrastructure.

2. Industrial fabrication, module assembly and construction in the oilsands

The oilsands of northern Alberta and Saskatchewan are home to the world's second largest – some say largest – known reserves of recoverable hydrocarbons.

3. Ontario power generating facilities

Ontario's electrical generating and distribution capacity needs to be upgraded and expanded to meet demand.

4. Education and health care facilities

Canada's growing urban centres are stretching the fabric of our social infrastructure placing additional demands on our hospitals and education facilities.

<Scott Balfour>

It takes more than a straight eye, a steady hand and a road grader to build a highway.

If you want to work with the Ministry of Transportation of Ontario, you need scale, experience and a pristine safety record. On these measures, Aecon qualifies for any project that comes up for tender by the MTO.

Road building is a business that Aecon knows very, very well. It is also the part of our business where we have achieved the deepest range of vertical integration.

On some projects, we have the resources required to mine the aggregates ... manufacture the asphalt ... excavate the roadbed ... build the bridges ... install the utilities ... pave the road ... and install the lighting ... and we can even operate and maintain the road as well!

Having this scope gives us greater control over the quality, the schedule and ultimately the margins on the contract.

It also gives us the ability to take on more profitable work and to know when and where to add capacity.

All of this becomes extremely important to Aecon when we look at the kind of growth taking place in this sector.

The road building budget for the Ministry of Transportation has doubled over the last few years ... and there is more work to be done.

But while MTO is one of our most important customers, it is not the only transportation infrastructure game in Ontario.

Plans are well advanced for the new \$3 billion Detroit Windsor crossing scheduled for completion in 2014 ...and we plan to be there.

The Province has also earmarked \$17.5 billion for public transit systems in the GTA Hamilton corridor, much of which will be delivered through agencies like Metrolinks and GO Transit ...and we plan to be there.

Soon the Province will begin letting contracts to build the \$2 billion eastern extension of Highway 407... and we plan to be there.

In the north, the Province has put aside more than \$550 million to spend in this fiscal year alone for the Northern Ontario Highways Program ... and we plan to be there as well.

... and this, my friends, is just Ontario!

Here the challenge is about urban and suburban gridlock compounded by concerns about fuel costs and the environmental impact of too many cars trying to use too few roads.

But in Alberta, it's about meeting the demands of urban and suburban growth as well as the unprecedented demand for transportation infrastructure to service the once isolated north, where the two-lane highway into Fort McMurray now seems as congested as the highways of Edmonton and Calgary.

And the transportation infrastructure needs are just as urgent in Southern Alberta. Last year we were contracted to build overpasses on the Calgary ring road, bringing the total value of our civil construction work in the province to over 40 million dollars in 2007 – from a standing start in 2006.

We are also under contract to build sections of the new \$675 million Light Rail Transit extension in Edmonton scheduled for completion in 2009.

<John Beck>

Renewing and expanding Canada's transportation infrastructure is a large market with long-term growth. Our reputation and experience in this market are only some of the key reasons we believe Aecon's best performance is yet to come.

But our opportunities in Alberta go well beyond transportation infrastructure.

Our Civil and Industrial units are deeply involved in nearly every aspect of the Alberta oilsands build out – from constructing tank farms ... to building access roads ... to pouring industrial foundations.

But on top of all of this, Aecon operates the largest pipe fabrication plant and module assembly yard in Alberta.

That's one of the reasons the major oilsands developers – companies like Shell, Suncor, Petro Canada and others – are attracted to Aecon.

The scope of the services that we provide includes the fabrication of specialty pipe ... the offsite assembly of modules ... and the installation of these prefabricated units at the customer's plant in Northern Alberta.

There are several construction firms that can provide some of these services. But when the stakes are high, schedules are tight and the customer wants certainty of execution - - size, reputation and ability to deliver count as much as price in awarding their contracts.

The development taking place in the Athabasca oilsands covers 140,000 square miles – an area the size of Florida, or half that of England.

It stretches between northern Alberta and Saskatchewan, and is the largest single construction undertaking in the world.

Since 2001, more than 52 billion dollars has been invested in 81 oilsands projects. This year alone, planned annual capital expenditures on construction and equipment for the development of the oilsands increased 23 percent to 19.7 billion dollars.

Aecon is capturing a growing share of this massive capital spending activity. For example, last year our Edmonton operation was awarded a large contract to fabricate and assemble modules for Shell's Scotford project in Fort McMurray.

In addition to the work we are performing for Shell in Alberta, we recently announced the largest ever fabrication contract awarded to Aecon's Cambridge fab shop, just down the 401 from here ... an assignment that is also destined for Shell's Scotford project in Fort McMurray.

<Scott Balfour>

Together, these contracts are contributing over \$100 million of the revenue we are generating from this market segment.

Oilsands development is a very large and growing market for construction services. Our ability to tap into this market is another one of the key reasons we believe Aecon's best performance is yet to come.

The Ontario Power Authority has the job of ensuring that the people of this province have the power they need to light their homes and run their businesses.

For some time, the OPA has been confronting a growing gap between the power that is produced in this province and the power that we are forecast to need.

What this graph shows is that most of the power we will consume 10 or 12 years from now will come from generating capacity that has yet to be built.

As you can see, the rate of growth in power consumption is not the problem. It's the supply side that needs to be fixed.

The end result of all of this is a \$60 billion build-out of new generating capacity over the next 20 years.

The capacity of our current power generating infrastructure is insufficient for two reasons:

- our older power plants are becoming less efficient as they age, and
- between now and 2014, the government plans to take all of the coal-fired generators out of production.

While this environmentally necessary decommissioning is part of the challenge, the fundamental problem we face is the result of old plants that can no longer meet our needs.

Aecon is part of the solution. A consortium comprised of Trans Canada, OMERS and CAMECO is investing more than \$5 billion to upgrade the Bruce Nuclear plant on Lake Huron.

Aecon's Industrial Group is participating, together with SNC Lavalin, in a \$200 million joint venture to upgrade, repair and replace numerous systems and equipment in the facility.

But restarting Bruce is not going to be enough to close Ontario's power gap.

We are going to need new sources of supply. New gas fired turbines, new wind farms, new hydroelectric projects and new cogeneration plants will be needed to contribute to this missing power supply.

We are currently working on the \$100 million East Windsor Cogeneration facility which will add 84 megawatts to the grid when it is completed in 2009.

This project is leveraging private sector capital to bring the facility on line and Aecon's role is to manage the entire project as the EPC contractor for the developer.

But sooner or later, a significant portion of this gap will need to be filled by building at least one new nuclear plant...according to yesterday's news, to be located in Darlington.

<John Beck>

And the power problem does not stop at the generator.

Electricity is only useful if it ends up where it is needed, and getting it there is going to take an estimated 3 billion dollars in additional spending on new and upgraded transmission capacity.

Aecon has a well-earned reputation for quality, safety and efficiency in the market for building and rebuilding power generation facilities in Ontario.

This is a very strong long term market and our ability to service it is another reason we believe Aecon's best performance is yet to come.

When hospitals were being built in the early part of the last century, their designs were based on the idea that to recover from illness, injury or even childbirth, you needed a period of recuperation that could best be administered under the watchful eye of the doctors and nurses who staffed these institutions.

Today, we use these same institutions in an entirely different way with new technologies and more resources focused on diagnosis, treatment and clinical evaluation.

To address this urgent need for the refurbishing and expansion of our social infrastructure, the Government of Ontario has taken the bold step of re-engineering the very way they contract building projects.

Under Infrastructure Ontario, the process for moving from RFP ... to bidding ... to contracting ... to completion has been streamlined and accelerated.

Established in 2005, Infrastructure Ontario is focussed on getting things done.

Since its inception, Infrastructure Ontario has been assigned procurement responsibility for 40 major contracts and completed two dozen projects worth more than five billion dollars.

Aecon has been an active participant in this process. In September of last year, our Buildings division was awarded the contract to upgrade and expand the emergency, laboratory, ambulatory and continuing care facilities of the Rouge Valley Health System in Ajax.

And just last week we announced that Aecon has been selected highest ranking bidder on a significant hospital expansion and refurbishment on University Avenue in Toronto.

The Toronto Rehab project will involve the construction of a new 13-storey building as well as the renovation of the existing 12-storey facility.

Today we are pursuing and winning more and more mandates in the health services segment.

Our view of education has also changed. Our schools, community colleges and universities must meet the needs of new immigrants, displaced workers and retirees as well as the career and academic aspirations of our young people.

To accommodate this change, the institutions that deliver social services are being transformed and expanded.

Aecon is doing its part. Last year our Buildings Group was engaged in the 17.5 million dollar refurbishment and expansion of St. Mary's University in Halifax.

<Scott Balfour>

And last week, we announced that Aecon had been contracted by the University of Waterloo to construct the new \$130 million Lazaridis Quantum Nano-Technology Centre.

Rebuilding and expanding the institutions that deliver these important social services is a strong and growing market ... and is just one more reason why we believe Aecon's best performance is yet to come.

Each of these market segments – Road Building, Oilsands Development, Power Generation and Social Infrastructure – offers growth opportunities for Aecon.

We are well equipped in terms of our expertise and our resources to build these things that matter most to Canadians.

But increasingly our business is not just about building.

In each of these four market segments, we are seeing innovative approaches being taken by project sponsors to integrate the financing and operation of these facilities into the contracting decision.

Earlier, John said that Aecon is not your average construction company. One of the things that makes us unique is our experience working on the equity side of public private partnerships ... what we call P3s.

The P3 intellectual property we have accumulated comes from work that we started doing nearly 20 years ago on the Prague airport.

More recently, we have participated in the building and operation of two transportation concessions – the Cross Israel Highway and the Quito International Airport.

Along the way, on projects like Highway 407 in Ontario, and Highway 104 on Nova Scotia, we have accumulated a P3 knowledge base that we believe gives us a competitive advantage.

We have first hand knowledge of how P3s create opportunities to improve margins and reduce costs through value engineering and the alignment of financial interests.

And we have seen how these characteristics change with the various P3 models that have evolved.

Let me give you just one example.

Aside from the fact that you have to pay directly for its use, what is the one thing that makes the 407 different from the other 400 series highways in the Province?

It's made of concrete instead of asphalt.

This was done because, while a concrete highway is more expensive to build ... it is cheaper to maintain. Which means concrete's all-in cost can be lower than asphalt's over the life of the highway.

<John Beck>

This is what happens when the person who builds the road has an economic interest in how much it costs to operate the road.

It's been a few years since the 407 was conceived and built...primarily by Aecon, I might add. Since then, the rest of the world has been busy advancing P3 projects while Canada fell behind.

But all of that is changing. Across the country, there are more than 70 innovative P3 projects being developed or in the proposal stage including ... Wastewater systems in BC ... Schools in Alberta ... Bridges in Manitoba ... Hospitals in Ontario ... Concert halls in Quebec ... Law Courts in New Brunswick ... and highways from coast to coast.

These projects are catching the attention of major international P3 developers such as Macquarie and Bilfinger-Berger.

Significant funding sources like our major banks and insurance companies as well as a number of specialized funds are putting up capital.

But what all of these P3 participants need is a construction partner – somebody with the expertise and the resources to build the project.

By virtue of our size, Aecon has the credentials to be on the short list for virtually every one of these projects.

But what will make us a partner of choice is our knowledge base – our P3 intellectual property – that allows us to add value just because we can truly say ... we've been there and done that.

<Scott Balfour>

As these opportunities come along, we plan to use our expertise to select projects where we can earn a return from our construction activity as well as participate in the equity returns from the project once it is completed.

Our appetite is modest, and our intention is to build a diversified portfolio of minority investments rather than taking a large slice of one or two projects.

In closing, I want to reaffirm our commitment to the five elements of the strategic plan that Aecon adopted almost three years ago:

- First, invest in our people and foster a learning culture.

Our goal is to be the employer of choice in our industry so that we can attract and retain the best talent.

- Focus on profitable business opportunities right here at home.

Simply put, Aecon has one of the strongest competitive profiles in one of the strongest construction markets in the world. There are more than enough opportunities in this market to feed our growth.

- Build trust and long-term allegiance with our customers.

Cross-selling our diversified service simplifies the customer's life and is one of the things that allows us to compete on factors other than price.

- Capitalize on our vertical integration capabilities.

Covering more links in the value chain of a project allows us to control scheduling, maintain quality and reduce costs.

- Focus on improved margins and lean thinking.

Engraining in our culture a commitment to margin enhancement, including reducing our risk and efficient execution of our work.

The execution of this strategy, and the commitment of our employees, is how we delivered the very successful results that we are proud to have reported to you today.

As the saying goes, this strategy is clearly not broken ... in fact it is barely broken in ... so don't expect us to stray from this course.

Over the near term, what you can expect is continued growth and solid profitable performance from every segment of our business.

Over the mid-term planning horizon, Ontario will remain a major market for Aecon.

<John Beck>

But in addition, you can expect to see us increase our focus on Western Canada, where the opportunities for growth currently outweigh our ability to respond.

Construction intentions in Ontario remain strong and on the rise as planned spending grew to 58 billion dollars in 2007.

But capital spending plans in Alberta and BC are running ahead of Ontario's – increasing to 86 billion dollars in 2007.

To date, the geographic distribution of Aecon's revenue has yet to catch up with these trends.

Two years ago, Western Canada accounted for about six percent of our revenue.

While it more than doubled last year to 13 percent, we have a long way to go to bring it in line with the 67 percent share of revenue that the Ontario market represents.

But given the exceptional opportunities that we see in front of us in Western Canada, that is precisely what we plan to do.

For all of the reasons that we have cited here today, we believe that the Canadian construction industry is in the early days of a long cycle of strong growth.

With your continued support and the support of our nearly 5,000 employees, Aecon is very well positioned to fully participate in this growth cycle ... to grow our revenue and earnings well into the next decade.

Frankly I don't think there has ever been a better time to be a builder.

In fact, I believe that in thirty years or so, the next generation will look back on this period in our history ... as we now look back on the post-war era ... as a time when Canada invested in its future ... building the roads, the hospitals and the schools ... expanding our industrial facilities, power plants and utility networks ... and developing a new supply of energy resources ... in short, putting in place the foundation that will support the growth of our nation for many years to come.

Thank you.

Scott and I would now be pleased to take your questions.