AECON GROUP INC.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2017

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

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March 6, 2018

Independent Auditor's Report

To the Shareholders of
Aecon Group Inc.

We have audited the accompanying consolidated financial statements of Aecon Group Inc. and its subsidiaries, which comprise the consolidated balance sheets as at December 31, 2017 and December 31, 2016, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Aecon Group Inc. and its subsidiaries as at December 31, 2017 and December 31, 2016, and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(Signed) “PricewaterhouseCoopers LLP”

Chartered Professional Accountants, Licensed Public Accountants

CONSOLIDATED BALANCE SHEETS

AS AT DECEMBER 31, 2017 AND 2016

(in thousands of Canadian dollars)

	Note	December 31 2017	December 31 2016
ASSETS			
Current assets			
Cash and cash equivalents	8	**$ 304,882**	$ 231,858
Restricted cash	8	**279,581**	-
Trade and other receivables	9	**499,462**	604,759
Unbilled revenue	10	**595,639**	492,848
Inventories	11	**22,997**	28,460
Income tax recoverable		**8,110**	19,275
Prepaid expenses		**12,024**	12,100
		1,722,695	1,389,300
Non-current assets			
Long-term financial assets		**2,260**	2,633
Projects accounted for using the equity method	12	**32,610**	27,618
Deferred income tax assets	21	**18,196**	23,908
Property, plant and equipment	13	**457,151**	450,368
Intangible assets	14	**293,878**	111,658
		804,095	616,185
TOTAL ASSETS		**$ 2,526,790**	$ 2,005,485
LIABILITIES			
Current liabilities			
Bank indebtedness	15	**$ 17,940**	$ 7,476
Trade and other payables	16	**621,863**	577,333
Provisions	17	**11,546**	20,530
Deferred revenue	10	**206,681**	201,408
Income taxes payable		**3,544**	6,449
Current portion of long-term debt	18	**44,472**	51,568
Convertible debentures	19	**168,466**	-
		1,074,512	864,764
Non-current liabilities			
Provisions	17	**5,812**	5,096
Non-recourse project debt	18	**352,888**	-
Long-term debt	18	**91,211**	86,403
Convertible debentures	19	**-**	164,778
Concession related deferred revenue	20	**118,380**	7,111
Deferred income tax liabilities	21	**109,719**	119,767
Other liabilities		**2,793**	3,967
		680,803	387,122
TOTAL LIABILITIES		**1,755,315**	1,251,886
EQUITY			
Capital stock	25	**367,612**	346,770
Convertible debentures	19	**8,664**	8,674
Contributed surplus		**39,604**	43,060
Retained earnings		**355,970**	357,218
Accumulated other comprehensive loss		**(375)**	(2,123)
TOTAL EQUITY		**771,475**	753,599
TOTAL LIABILITIES AND EQUITY		**$ 2,526,790**	$ 2,005,485

Commitments and contingencies (Notes 23 and 24)

Approved by the Board of Directors   John M. Beck, Director   Anthony P. Franceschini, Director

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

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

	Note	December 31 2017	December 31 2016
Revenue		$ 2,805,728	$ 3,213,133
Direct costs and expenses	26	(2,486,705)	(2,900,665)
Gross profit		319,023	312,468
Marketing, general and administrative expenses	26	(186,538)	(185,066)
Depreciation and amortization	26	(93,548)	(64,062)
Income from projects accounted for using the equity method	12	8,417	12,401
Other income	27	6,281	11,358
Operating profit		53,635	87,099
Finance income		895	282
Finance costs	28	(23,704)	(21,869)
Profit before income taxes		30,826	65,512
Income tax expense	21	(2,650)	(18,755)
Profit for the year		$ 28,176	$ 46,757
Basic earnings per share	29	$ 0.48	$ 0.82
Diluted earnings per share	29	$ 0.46	$ 0.77

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

(in thousands of Canadian dollars)

	December 31 2017	December 31 2016
Profit for the year	**$ 28,176**	$ 46,757
Other comprehensive income (loss):		
Items that will not be reclassified to profit or loss:		
Actuarial gain (loss)	**1,591**	(535)
Income taxes on the above	**(426)**	143
	1,165	(392)
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences - foreign operations	**(1,487)**	(422)
Cash flow hedges - equity accounted investees	**2,816**	60
Income taxes on the above	**(746)**	(16)
Total other comprehensive income (loss) for the year	**1,748**	(770)
Comprehensive income for the year	**$ 29,924**	$ 45,987

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

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

					Accumulated other comprehensive income (loss)			
	Capital stock	**Convertible debentures**	**Contributed surplus**	**Retained earnings**	**Currency translation differences**	**Actuarial gains and losses**	**Cash flow hedges**	**Shareholders' equity**
Balance as at January 1, 2017	**$ 346,770**	**$ 8,674**	**$ 43,060**	**$ 357,218**	**$ (173)**	**$ (720)**	**$ (1,230)**	**$ 753,599**
Profit for the year	-	-	-	28,176	-	-	-	**28,176**
Other comprehensive income (loss):								
Currency translation differences - foreign operations	-	-	-	-	(1,487)	-	-	**(1,487)**
Actuarial gain	-	-	-	-	-	1,591	-	**1,591**
Cash flow hedges - equity-accounted investees	-	-	-	-	-	-	2,816	**2,816**
Taxes with respect to above items included in other comprehensive income	-	-	-	-	-	(426)	(746)	**(1,172)**
Total other comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**(1,487)**	**1,165**	**2,070**	**1,748**
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**28,176**	**(1,487)**	**1,165**	**2,070**	**29,924**
Dividends declared	-	-	-	(29,424)	-	-	-	**(29,424)**
Common shares issued on exercise of options	2,610	-	(698)	-	-	-	-	**1,912**
Common shares issued on conversion of debentures	198	(10)	-	-	-	-	-	**188**
Stock-based compensation	-	-	16,437	-	-	-	-	**16,437**
Shares issued to settle LTIP/Director DSU obligations	18,034	-	(18,034)	-	-	-	-	**-**
Other LTIP settlements	-	-	(1,161)	-	-	-	-	**(1,161)**
Balance as at December 31, 2017	**$ 367,612**	**$ 8,664**	**$ 39,604**	**$ 355,970**	**$ (1,660)**	**$ 445**	**$ 840**	**$ 771,475**

					Accumulated other comprehensive income (loss)			
	Capital stock	**Convertible debentures**	**Contributed surplus**	**Retained earnings**	**Currency translation differences**	**Actuarial gains and losses**	**Cash flow hedges**	**Shareholders' equity**
Balance as at January 1, 2016	**$ 332,275**	**$ 8,674**	**$ 41,546**	**$ 336,910**	**$ 249**	**$ (328)**	**$ (1,274)**	**$ 718,052**
Profit for the year	**-**	-	-	46,757		-	-	**46,757**
Other comprehensive income (loss):								
Currency translation differences - foreign operations	-	-	-	-	(422)	-	-	**(422)**
Actuarial loss	-	-	-	-	-	(535)	-	**(535)**
Cash flow hedges - equity-accounted investees	-	-	-	-	-	-	60	**60**
Taxes with respect to above items included in other comprehensive income	-	-	-	-	-	143	(16)	**127**
Total other comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**(422)**	**(392)**	**44**	**(770)**
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**46,757**	**(422)**	**(392)**	**44**	**45,987**
Dividends declared	-	-	-	(26,449)	-	-	-	**(26,449)**
Common shares issued on exercise of options	1,491	-	(390)	-	-	-	-	**1,101**
Stock-based compensation	-	-	16,668	-	-	-	-	**16,668**
Shares issued to settle LTIP/Director DSU obligations	13,004	-	(13,004)	-	-	-	-	**-**
Other LTIP Settlements	-	-	(1,760)	-	-	-	-	**(1,760)**
Balance as at December 31, 2016	**$ 346,770**	**$ 8,674**	**$ 43,060**	**$ 357,218**	**$ (173)**	**$ (720)**	**$ (1,230)**	**$ 753,599**

During the year ended December 31, 2017, the Company declared dividends amounting to $0.50 per share (December 31, 2016 - $0.46 per share).

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

(in thousands of Canadian dollars)

	Note	**December 31 2017**	December 31 2016
CASH PROVIDED BY (USED IN)			
Operating activities			
Profit before income taxes		**$ 30,826**	$ 65,512
Income taxes paid		**(5,601)**	(2,620)
Defined benefit pension		**49**	(211)
Items not affecting cash:			
Depreciation and amortization		**93,548**	64,062
Income from projects accounted for using the equity method		**(8,417)**	(12,401)
Gain on sale of property, plant and equipment		**(2,689)**	(1,790)
Income from leasehold inducements		**(561)**	(505)
Unrealized foreign exchange gain		**(8,187)**	(761)
Increase in provisions		**13,408**	9,053
Notional interest representing accretion		**4,276**	4,484
Stock-based compensation		**16,437**	16,668
Change in other balances relating to operations	30	**64,328**	(114,605)
		197,417	26,886
Investing activities			
Increase in restricted cash balances		**(289,264)**	-
Purchase of property, plant and equipment		**(37,327)**	(33,140)
Proceeds on sale of property, plant and equipment		**9,858**	9,968
Investment in concession rights		**(127,281)**	-
Increase in intangible assets		**(5,160)**	(6,849)
Increase in long-term financial assets		**(22)**	(799)
Distributions from projects accounted for using the equity method		**6,241**	10,370
		(442,955)	(20,450)
Financing activities			
Increase in bank indebtedness		**10,464**	7,476
Issuance of long-term debt		**17,735**	16,420
Issuance of non-recourse long-term debt		**374,407**	-
Repayments of long-term debt		**(57,855)**	(56,262)
Increase in other liabilities		**930**	1,590
Issuance of capital stock		**1,912**	1,101
Settlement of LTIP		**(1,161)**	(1,760)
Dividends paid		**(28,667)**	(25,568)
		317,765	(57,003)
Increase (decrease) in cash and cash equivalents during the year		**72,227**	(50,567)
Effects of foreign exchange on cash balances		**797**	(307)
Cash and cash equivalents - beginning of year		**231,858**	282,732
Cash and cash equivalents - end of year	30	**$ 304,882**	$ 231,858

See Note 30 for additional disclosures relating to the Consolidated Statements of Cash Flows.

1. PROPOSED ARRANGEMENT AND 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.

On October 26, 2017, the Company entered into an arrangement agreement (the "Arrangement Agreement") with CCCC International Holding Limited and 10465127 Canada Inc. (together, "CCCI"), pursuant to which CCCI has agreed, subject to satisfaction of customary conditions, to acquire all of the issued and outstanding common shares of Aecon for $20.37 per common share in cash by way of a statutory plan of arrangement under the Canada Business Corporations Act (the "Arrangement").

Completion of the Arrangement remains subject to customary closing conditions for a transaction of this nature, including regulatory approval under the Investment Canada Act. Assuming the satisfaction or waiver of these closing conditions, the arrangement is expected to close by the end of the second quarter of 2018.

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

Refer to Note 34 *"Related Parties,"* for further details on the Company's subsidiaries and significant joint arrangements and associates.

2. DATE OF AUTHORIZATION FOR ISSUE

The consolidated financial statements of the Company were authorized for issue on March 6, 2018 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").

Statement of compliance
These consolidated financial statements have been prepared in accordance with and comply with IFRS as issued by the International Accounting Standards Board ("IASB").

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 is 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*". 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.

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.

Further information with regard to the treatment of financial instruments can be found in Note 31, *"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 22, "*Employee Benefit Plans*," for further details regarding the Company's defined benefit plans as well as the impact to the financial results of a 0.5% change in the discount rate assumption used in the calculations.

INCOME TAXES

The Company is subject to income taxes in both Canada and several foreign jurisdictions. Significant estimates and judgments are required in determining the Company's worldwide provision for income taxes. In the ordinary course of business, there are transactions and calculations where the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Management estimates income taxes for each jurisdiction the Company operates in, taking into consideration different income tax rates, non-deductible expenses, valuation allowances, changes in tax laws, and management's expectations of future results. Management bases its estimates of deferred income taxes on temporary differences between the assets and liabilities reported in the Company's consolidated financial statements, and the assets and liabilities determined by the tax laws in the various countries in which the Company operates. Although the Company believes its tax estimates are reasonable, there can be no assurance that the final determination of any tax audits and litigation will not be materially different from that reflected in the Company's historical income tax provisions and accruals. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the Company's income tax expense and current and deferred income tax assets and liabilities in the period in which such determinations are made. Although management believes it has adequately provided for any additional taxes that may be assessed as a result of an audit or litigation, the occurrence of either of these events could have an adverse effect on the Company's current and future results and financial condition.

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

IMPAIRMENT OF GOODWILL AND OTHER INTANGIBLE ASSETS

Intangible assets with finite lives are amortized over their useful lives. Goodwill, which has an indefinite life, is not amortized. Management evaluates intangible assets that are not amortized at the end of each reporting period to

determine whether events and circumstances continue to support an indefinite useful life. Intangible assets with finite lives are tested for impairment whenever events or circumstances indicate the carrying value may not be recoverable. Goodwill and intangible assets with indefinite lives, if any, are tested for impairment by applying a fair value test in the fourth quarter of each year and between annual tests if events occur or circumstances change, which suggest the goodwill or intangible assets should be evaluated.

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

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

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

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

Refer to Note 14, "*Intangible Assets*", for further details regarding goodwill and other intangible assets.

4.2 JUDGMENTS

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

BASIS FOR CONSOLIDATION AND CLASSIFICATION OF JOINT ARRANGEMENTS

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

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

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

SERVICE CONCESSION ARRANGEMENTS

The accounting for concession arrangements requires the application of judgment in determining if the project falls within the scope of IFRIC Interpretation 12, Service Concession Arrangements, ("IFRIC 12"). Additional judgments are needed when determining, among other things, the accounting model to be applied under IFRIC 12, the allocation of the consideration receivable between revenue-generating activities, the classification of costs incurred on such activities, as well as the effective interest rate to be applied to the financial asset. As the accounting for concession arrangements under IFRIC 12 requires the use of estimates over the term of the arrangement, any changes to these long-term estimates could result in a significant variation in the accounting for the concession arrangement.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 REVENUE RECOGNITION

Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or combination of assets, including contracts for the rendering of services directly related to the construction of the asset. Such contracts include fixed-price and cost-plus contracts.

Revenue recognition when the outcome of the contract can be estimated reliably

When the outcome of a construction contract can be estimated reliably, revenue from fixed priced and cost-plus construction contracts is recognized using the percentage of completion method, based on the ratio of costs incurred to date over estimated total costs at the end of the reporting period.

Revenue recognition when the outcome of the contract cannot be estimated reliably

When the outcome of a construction contract cannot be estimated reliably, revenue is recognized to the extent of contract costs incurred where it is probable they will be recovered.

Revision of estimated total costs

On an ongoing basis, the estimated total costs for construction projects are revised based on the information available at the end of the reporting period. Changes in estimated total costs are reflected in the percentage of completion of applicable construction projects in the same period as the change in estimate occurs.

Recognition of contract costs

Contract costs are recognized as expenses in profit or loss as incurred. Contract costs include all amounts that relate directly to the specific contract, are attributable to contract activity, and are specifically chargeable to the customer under the terms of the contract. Examples of such costs include direct material, labour and equipment costs, borrowing costs and those indirect costs relating to contract performance such as indirect labour and supplies, depreciation on construction assets, tools and repairs.

Contract losses

Losses on contracts, if any, are recognized in full in the period when such losses become probable.

Change orders, disputes and claims

Contract revenues and costs are adjusted to reflect change orders that have been approved as to both price and scope.

For change orders that have not been approved as to price, contract revenues are recognized to the extent of costs incurred or, if lower, to the extent to which recovery is probable. Profit on unpriced change orders is not recognized until pricing has been approved.

If there are disputes or claims regarding additional payments owing as a result of changes in contract specifications, delays, additional work or changed conditions, the Company's accounting policy is to record all costs for these change orders but not to record any revenues anticipated from these disputes until resolution is probable.

Revenue recognition – other
Revenue on consulting contracts to manage or supervise the construction activity of others is recognized when consulting services are rendered.

Contract revenues are measured at the fair value of the consideration received or receivable. Where deferral of payment has a material effect on the determination of such fair value, the amount at which revenues are recognized is adjusted to account for the time-value-of-money.

Unbilled revenues represent revenues earned in excess of amounts billed on uncompleted contracts.

Deferred revenue represents the excess of amounts billed to customers over revenue earned on uncompleted contracts.

Where advance payments are received from customers for the mobilization of project staff, equipment and services, the Company recognizes these amounts as liabilities and includes them in deferred revenue.

The operating cycle, or duration, of many of the Company's contracts exceeds one year. All contract related assets and liabilities are classified as current as they are expected to be realized or satisfied within the operating cycle of the contract.

Other revenue types
Revenue related to the sale of aggregates is recognized on delivery of the product or when the significant risks and rewards of ownership have been transferred to the customer.

Interest income is recognized using the effective interest method.

5.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash at banks and on hand, cash in joint operations, demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of changes in value. The Company considers investments purchased with original maturities of three months or less to be cash equivalents.

5.3 RESTRICTED CASH

Restricted cash is cash where specific restrictions exist on the Company's ability to use this cash. Restricted cash includes cash that has been deposited as collateral for letters of credit issued by the Company or cash deposits made to secure future equity commitments in projects.

5.4 FINANCIAL INSTRUMENTS – CLASSIFICATION AND MEASUREMENT

Financial Assets
Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition. When, as a result of a change in intention or ability, it is no longer appropriate to classify an investment as held-to-maturity, the investment is reclassified into the available-for-sale category.

Financial assets at fair value through profit or loss
The Company may designate any financial asset as fair value through profit or loss on initial recognition with transaction costs recognized in profit or loss. Financial assets are also classified as financial assets at fair value through profit or loss if they are acquired for the purpose of selling in the near term. Gains or losses on these items are recognized in profit or loss.

Derivatives that are financial assets are classified as financial assets at fair value through profit or loss unless they are designated as, and are effective, hedging instruments.

Loans and receivables

Loans and receivables (including cash and cash equivalents, restricted cash, trade, other receivables and long-term receivables and financial assets with terms of more than one year) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit or loss or available-for-sale. Such assets are carried at amortized cost using the effective interest rate method, less any impairment losses, with gains and losses recognized in profit or loss when the asset is derecognized or impaired. Loans yielding interest at normal market rates are reported at face value, while non-interest bearing loans and loans not at market rates are discounted to present value using a risk adjusted discount rate.

Held-to-maturity investments

Non-derivative financial assets (including short-term deposits classified as marketable securities) with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Held-to-maturity investments are measured at amortized cost using the effective interest rate method, less any impairment losses. Impairment losses are recognized in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets (including equity shares classified as marketable securities) are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other three stated categories. After initial recognition, available-for-sale financial assets are measured at fair value with unrealized gains or losses recognized in other comprehensive income (“OCI”) until the asset is derecognized, or impaired, at which time the cumulative gain or loss previously reported in OCI is included in profit or loss.

Financial Liabilities

The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognized initially at fair value. For trade and other payables, bank indebtedness, loans and borrowings, directly attributable transaction costs are applied against the balance of the liability. For derivative financial instruments, transaction costs are expensed in profit or loss.

After initial recognition, interest bearing loans and borrowings and, where necessary, trade payables, are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. Amortization arising from the use of the effective interest rate method is included in finance costs in the consolidated statements of income.

Convertible Debentures

The 2018 convertible debentures are accounted for as a compound financial instrument with a debt component and a separate equity component. The debt component of these compound financial instruments is measured at fair value on initial recognition by discounting the stream of future interest and principal payments at the rate of interest prevailing at the date of issue for instruments of similar term and risk. The debt component is subsequently deducted from the total carrying value of the compound instrument to derive the equity component. The debt component is subsequently measured at amortized cost using the effective interest rate method. Interest expense based on the coupon rate of the debenture and the accretion of the liability component to the amount that will be payable on redemption are recognized through profit or loss as finance costs.

Hedging

To qualify for hedge accounting, the Company must formally designate and document a hedge relationship between a qualifying hedging instrument and a qualifying hedged item at the inception of the hedge. The Company assesses the effectiveness of the designated hedging relationships both at inception and on an ongoing basis to demonstrate the effectiveness of the hedge.

Fair value hedge: Changes of the hedging derivative are recognized in the consolidated statements of income together with any changes in the fair value of the hedged items that are attributable to the hedged risk.

Cash flow hedge/hedge of a net investment in a foreign operation: The effective portion of the change in the fair value of the hedging derivative is recognized in OCI while the ineffective portion is recognized in net income. When hedge accounting is discontinued, amounts previously recognized in Accumulated Other Comprehensive Income ("AOCI") are reclassified to net income during the periods when the variability in the cash flows of the hedged item affects net income. Gains and losses on derivatives are reclassified immediately to net income when the hedged item is sold or terminated early.

5.5 DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire or when the Company transfers the financial asset to another party without retaining control or substantially all the risks and rewards of ownership of the asset. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. Any loss on the derecognition of the original liability is recognized in profit or loss.

5.6 IMPAIRMENT OF FINANCIAL ASSETS

The Company assesses at each consolidated balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

Objective evidence of impairment of financial assets carried at amortized cost exists if the counterparty is experiencing significant financial difficulty, there is a breach of contract, concessions are granted to the counterparty that would not normally be granted, or it is probable the counterparty will enter into bankruptcy or a financial reorganization.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss to the extent the carrying value of the asset does not exceed its amortized cost at the reversal date.

Available-for-sale financial assets

Objective evidence of impairment of equity investments classified as available-for-sale would be a significant or prolonged decline in the fair value of the security below its cost.

Reversals of impairment in respect of equity instruments classified as available-for-sale are recognized in other comprehensive income.

For debt securities, the Company uses the criteria referred to under financial assets carried at amortized cost above.

Reversals of impairment losses on debt instruments are made through profit or loss if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss has occurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset and is recognized in profit or loss for the period. Reversals of impairment losses on assets carried at cost are not permitted.

5.7 INVENTORIES

Inventories are recorded at the lower of cost and net realizable value, with the cost of materials and supplies determined on a first-in, first-out basis and the cost of aggregate inventories determined at weighted average cost. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity.

Inventories are written down to net realizable value ("NRV") if their NRV is less than their carrying amount at the reporting date. If the NRV amount subsequently increases, the amount of the write-down is reversed and recognized as a reduction in materials expense. The NRV of inventory is its estimated selling price in the ordinary course of business less applicable selling costs.

5.8 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at historical cost less accumulated depreciation and accumulated impairment losses, if any. The cost of property, plant and equipment includes the purchase price and the directly attributable costs of acquisition or construction costs required to bring the asset to the location and condition necessary for the asset to be capable of operating in the manner intended by management. Property, plant and equipment under finance lease, where the Company has substantially all the risks and rewards of ownership, are recorded at the lower of the fair value of the leased item or the present value of the minimum lease payments at the inception of the lease.

In subsequent periods, property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value, with the exception of land and assets under construction, which are not depreciated but are stated at cost less any impairment in value.

Depreciation is recorded to allocate the cost, less estimated residual values of property, plant and equipment over their estimated useful lives on the following bases:

Aggregate properties are depreciated using the unit of extraction method based on estimated economically recoverable reserves, which results in a depreciation charge proportional to the depletion of reserves.

All other assets, excluding assets under construction, are depreciated on a straight-line basis over periods that approximate the estimated useful lives of the assets as follows:

Assets	Term
Land	Not depreciated
Buildings and leasehold improvements	10 to 40 years
Machinery and equipment	2 to 15 years
Heavy mining equipment	12,000 - 60,000 hours
Office equipment	3 to 5 years
Vehicles	1 to 5 years

Assets under construction are not depreciated until they are brought into use, at which point they are transferred into the appropriate asset category.

The Company reviews the residual value, useful lives and depreciation method of depreciable assets on an annual basis and, where revisions are required, the Company applies such changes in estimates on a prospective basis.

The net carrying amounts of property, plant and equipment assets are reviewed for impairment either individually or at the cash-generating unit level when events and changes in circumstances indicate the carrying amount may not be recoverable. To the extent these carrying amounts exceed their recoverable amounts, that excess is fully recognized in profit or loss in the financial year in which it is determined.

When significant parts of property, plant and equipment are required to be replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalized and the carrying amount of the item replaced is derecognized. Similarly, maintenance and inspection costs associated with major overhauls are capitalized and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognized. All other costs are expensed as incurred.

5.9 BORROWING COSTS

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets for periods preceding the dates the assets are available for their intended use. All other borrowing costs are recognized as interest expense in the period in which they are incurred.

5.10 GOODWILL AND INTANGIBLE ASSETS

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill relating to the acquisition of subsidiaries is included on the consolidated balance sheets in intangible assets. Goodwill relating to the acquisition of associates is included in the investment of the associate and therefore tested for impairment in conjunction with the associate investment balance. Goodwill is not amortized but is reviewed for impairment at least annually and whenever events or circumstances indicate the carrying amount may be impaired. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to the cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The Company's cash-generating units generally represent either individual business units, or groups of business units that are all below the level of the Company's operating segments.

In a business combination, when the fair value attributable to the Company's share of the net identifiable assets acquired exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

Internally generated goodwill is not recognized.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible assets

Intangible assets acquired as part of a business combination are recorded at fair value at the acquisition date if the asset is separable or arises from contractual or legal rights and the fair value can be measured reliably on initial recognition. Separately acquired intangible assets are recorded initially at cost and thereafter are carried at cost less accumulated amortization and impairment if the asset has a finite useful life.

Intangible assets are amortized over their estimated useful lives. Intangible assets under development are not amortized until put into use.

Estimated useful lives are determined as the period over which the Company expects to use the asset and for which the Company retains control over benefits derived from use of the asset.

For intangible assets with a finite useful life, the amortization method and period are reviewed annually and impairment testing is undertaken when circumstances indicate the carrying amounts may not be recoverable.

Amortization expense on intangible assets with finite lives is recognized in profit or loss as an expense item.

The major types of intangible assets and their amortization periods are as follows:

Assets	Amortization basis
Acquired customer backlog	Pro rata basis as backlog revenue is worked off
Licences, software and other rights	1 - 10 years
Aggregate permits	Units of extraction

5.11 SERVICE CONCESSION ARRANGEMENTS

The Company accounts for Service Concession Arrangements in accordance with “IFRIC 12”.

IFRIC 12 provides guidance on the accounting for certain qualifying public-private partnership arrangements, whereby the grantor (i.e., usually a government) (a) controls or regulates what services the operator (i.e. “the concessionaire”) must provide with the infrastructure, to whom it must provide those services, and at what price; and (b) controls any significant residual interest in the infrastructure at the end of the term of the arrangement.

Under such concession arrangements, the concessionaire accounts for the infrastructure asset by applying one of the following accounting models depending on the allocation of the demand risk through the usage of the infrastructure between the grantor and the concessionaire:

Accounting Model

(a) Financial Asset Model

Applicable when the concessionaire does not bear demand risk through the usage of the infrastructure (i.e., it has an unconditional right to receive cash irrespective of the usage of the infrastructure, for example through availability payments).

When the Company delivers more than one category of activity in a service concession arrangement, the consideration received or receivable is allocated by reference to the relative fair values of the activity delivered, when the amounts are separately identifiable.

Revenue recognized by the Company under the financial asset model is recognized in “Long Term Receivables”, a financial asset that is recovered through payments received from the grantor.

(b) Intangible Asset Model

Applicable when the concessionaire bears demand risk (i.e., it has a right to charge fees for usage of the infrastructure).

The Company recognizes an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. The intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value upon initial recognition. Borrowing costs, if any, are capitalized until the infrastructure is ready for its intended use as part of the carrying amount of the intangible asset.

The intangible asset is then amortized over its expected useful life, which is the concession period in a service concession arrangement. The amortization period begins when the infrastructure is available for use.

Revenues from service concession arrangements accounted for under IFRIC 12 are recognized as follows:

(a) Construction or upgrade activities when a service concession arrangement involves the construction or upgrade of the public service infrastructure:

Revenues relating to construction or upgrade services under a service concession arrangement are recognized based on the stage of completion of the work performed, consistent with the Company's accounting policy on recognizing revenue applicable to any construction contract (see Section 5.1, "Revenue Recognition").

(b) Operations and maintenance activities may include maintenance of the infrastructure and other activities provided directly to the grantor or the users:

Operations and maintenance revenues are recognized in the period in which the activities are performed by the Company, consistent with the Company's accounting policy on recognizing revenue applicable to any operations and maintenance contract (see Section 5.1, "Revenue Recognition").

(c) Financing (applicable when the financial asset model is applied)

Finance income generated on financial assets is recognized using the effective interest method.

5.12 IMPAIRMENT OF NON-FINANCIAL ASSETS

Property, plant and equipment and intangible assets that are subject to amortization are reviewed for impairment at the end of each reporting period. If there are indicators of impairment, a review is undertaken to determine whether the carrying amounts are in excess of their recoverable amounts. An asset's recoverable amount is determined as the higher of its fair value less costs to sell and its value-in-use. Such reviews are undertaken on an asset-by-asset basis, except where assets do not generate cash flows independent of other assets, in which case the review is undertaken at the cash-generating unit ("CGU") level.

Where a CGU, or group of CGUs, has goodwill allocated to it, or includes intangible assets that are either not available-for- use or that have an indefinite useful life (and can only be tested as part of a CGU), an impairment test is performed at least annually or whenever there is an indication the carrying amounts of such assets may be impaired. Corporate assets, where material to the carrying value of a CGU in computing impairment calculations, are allocated to CGUs based on the benefits received by the CGU.

If the carrying amount of an individual asset or CGU exceeds its recoverable amount, an impairment loss is recorded in profit or loss to reflect the asset at the lower amount. In assessing the value-in-use, the relevant future cash flows expected to arise from the continuing use of such assets and from their disposal are discounted to their present value using a market determined pre-tax discount rate, which reflects current market assessments of the time-value-of-money and asset-specific risks. Fair value less costs to sell is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

Similarly, a reversal of a previously recognized impairment loss is recorded in profit or loss when events or circumstances indicate the estimates used to determine the recoverable amount have changed since the prior impairment loss was recognized and the recoverable amount of the asset exceeds its carrying amount. The carrying amount is increased to the recoverable amount but not beyond the carrying amount net of amortization, which would have arisen if the prior impairment loss had not been recognized. After such a reversal, the amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Goodwill impairments are not reversed.

5.13 JOINT ARRANGEMENTS

Under IFRS 11, "*Joint Arrangements,"* a joint arrangement is a contractual arrangement wherein two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement when the strategic, financial and operating decisions relating to the arrangement require the unanimous consent of the parties sharing control.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each party. Refer to Note 4 *"Critical Accounting Estimates"* for significant judgments affecting the classification of joint arrangements as either joint operations or joint ventures.

The parties to a joint operation have rights to the assets, and obligations for the liabilities, relating to the arrangement whereas joint ventures have rights to the net assets of the arrangement. In accordance with IFRS 11, the Company accounts for joint operations by recognizing its share of any assets held jointly and any liabilities incurred jointly, along with its share of the revenue from the sale of the output by the joint operation, and its expenses, including its share of any expenses incurred jointly.

Joint ventures are accounted for using the equity method of accounting in accordance with IAS 28, "*Investments in Associates and Joint Ventures."*

Under the equity method of accounting, the Company's investments in joint ventures and associates are carried at cost and adjusted for post-acquisition changes in the net assets of the investment. Profit or loss reflects the Company's share of the results of these investments. Distributions received from an investee reduce the carrying amount of the investment. The consolidated statements of comprehensive income also include the Company's share of any amounts recognized by joint ventures and associates in OCI.

Where there has been a change recognized directly in the equity of the joint venture or associate, the Company recognizes its share of that change in equity.

The financial statements of the joint ventures and associates are generally prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist in the underlying records of the joint venture and/or associate. Adjustments are made in the consolidated financial statements to eliminate the Company's share of unrealized gains and losses on transactions between the Company and its joint ventures and associates.

Transactions with joint operations
Where the Company contributes or sells assets to a joint operation, the Company recognizes only that portion of the gain or loss that is attributable to the interests of the other parties.

Where the Company purchases assets from a joint operation, the Company does not recognize its share of the profit or loss of the joint operation from the transaction until it resells the assets to an independent party.

The Company adjusts joint operation financial statement amounts, if required, to reflect consistent accounting policies.

5.14 ASSOCIATES

Entities in which the Company has significant influence and which are neither subsidiaries, nor joint arrangements, are accounted for using the equity method of accounting in accordance with IAS 28, "*Investments in Associates and Joint Ventures."* This method of accounting is described in Section 5.13, "*Joint Arrangements."*

The Company discontinues the use of the equity method from the date on which it ceases to have significant influence, and from that date accounts for the investment in accordance with IAS 39, "*Financial Instruments: Recognition and Measurement"* (its initial costs are the carrying amount of the associate on that date), provided the investment does not then qualify as a subsidiary or a joint arrangement.

5.15 PROVISIONS

General
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of the provision to be reimbursed, the reimbursement is recognized as a separate asset when reimbursement is virtually certain. The

expense relating to any provision is presented in profit or loss net of any reimbursement. Where material, provisions are discounted using a current pre-tax discount rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Decommissioning liabilities
The Company has legal obligations associated with the retirement of pits and quarries utilized in aggregate mining operations. As a result, a provision is made for close down, restoration and environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the financial period when the related environmental disturbance occurs, based on estimated future costs using information available at the consolidated balance sheet dates. The provision is discounted using a current market-based pre-tax discount rate that reflects the average life of the obligations and the risks specific to the liability. An increase in the provision due to the passage of time is recognized as a finance cost and the provision is reduced by actual rehabilitation costs incurred. The present value of the legal obligations incurred is recognized as an inventory production cost and is included in the cost of the aggregates produced.

The provision is reviewed at each reporting date for changes to obligations, legislation or discount rates that impact estimated costs or lives of operations. Changes in the amount or timing of the underlying future cash flows or changes in the discount rate are immediately recognized as an increase or decrease in the carrying amounts of related assets and the provision.

5.16 LEASES

Operating leases
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to income on a straight-line basis over the term of the lease.

Finance leases
Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the commencement of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in obligations under finance leases on the consolidated balance sheets. The interest element of the finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

5.17 EMPLOYEE BENEFIT PLANS

The Company recognizes the cost of retirement benefits over the periods in which employees are expected to render services in return for the benefits.

The Company sponsors defined benefit pension plans (which had their membership frozen as at January 1, 1998) and defined contribution pension plans for its salaried employees. The Company matches employee contributions to the defined contribution plans, which are based on a percentage of salaries. For the defined contribution pension plans the contributions are recognized as an employee benefit expense when they are earned.

For the defined benefit pension plans, current service costs are charged to operations as they accrue based on services rendered by employees during the year. Pension benefit obligations are determined annually by independent actuaries using management's best estimate assumptions. The plans' assets are measured at fair value. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high quality corporate bonds that have terms to maturity approximating the terms of the related pension liability. Actuarial gains and losses are recognized in other comprehensive income as they arise. Past service costs are recognized immediately in profit or loss unless the changes to the pension plan are conditional on the employees remaining in service for a specified

period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

5.18 CURRENT AND DEFERRED INCOME TAXES

Current income tax is calculated on the basis of tax laws enacted or substantively enacted at the consolidated balance sheet dates in the countries where the Company operates and generates taxable income. Current tax includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred income tax is provided using the asset and liability method on all temporary differences at the consolidated balance sheet dates between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. However, deferred income taxes are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax is provided on temporary differences associated with investments in subsidiaries, associates or joint ventures, except where the timing of the reversal of temporary differences can be controlled and it is probable the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilized.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the asset is realized or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the consolidated balance sheet dates.

The carrying amount of deferred income tax assets is reviewed at each consolidated balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. To the extent that an asset not previously recognized fulfills the criteria for recognition, a deferred income tax asset is recorded.

Current and deferred taxes relating to items recognized directly in equity and other comprehensive income are recognized in equity and other comprehensive income and not in profit or loss.

Current income tax assets and liabilities or deferred income tax assets and liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the income taxes relate to the same taxable entity and the same tax authority.

5.19 DIVIDENDS

A provision is not recorded for dividends unless the dividends have been declared by the Board of Directors on or before the end of the year and not distributed at the reporting date.

5.20 STOCK-BASED COMPENSATION

The Company has stock-based compensation plans, as described in Note 25, "*Capital Stock.*" All transactions involving stock-based payments are recognized as an expense over the vesting period.

Equity-settled stock-based payment transactions, such as stock option awards and the Company's long-term incentive plan, are measured at the grant date fair value of employee services received in exchange for the grant of options or share awards and for non-employee transactions, at the fair value of the goods or services received at the date on which the entity recognizes the goods or services. The total amount of the expense recognized in profit or loss is determined by reference to the fair value of the share awards or options granted, which factors in the number of options expected to vest. Equity-settled share-based payment transactions are not remeasured once the grant date fair value has been determined, except in cases where the stock-based payment is linked to non-market related performance conditions.

Cash-settled stock-based payment transactions are measured at the fair value of the liability. The liability is remeasured at each consolidated balance sheet date and at the date of settlement, with changes in fair value recognized in profit or loss.

5.21 EARNINGS PER SHARE

Basic earnings per share
Basic earnings per share is determined by dividing profit attributable to shareholders of the Company, excluding, if applicable, preferred dividends after-tax, amortization of discounts and premiums on issuance, premiums on repurchases, inducements to convert relating to convertible debentures and any costs of servicing equity other than common shares, by the weighted average number of common shares outstanding during the year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential common shares and the weighted average number of shares assumed to have been issued in relation to dilutive potential common shares.

Dilutive potential common shares result from issuances of stock options and convertible debentures and from shares held by the trustee of the Long-Term Incentive Plan.

5.22 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency
Items included in the financial statements of each of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in thousands of Canadian dollars, which is the Company’s presentation currency.

Transactions
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and resulting from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss, except when deferred in other comprehensive income for qualifying cash flow hedges and for qualifying net investment hedges.

All foreign exchange gains and losses presented in profit or loss are presented within other income.

Changes in the fair value of monetary securities denominated in a foreign currency classified as available-for-sale are separated between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in the carrying amount are recognized in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

Translation of foreign entities
Assets and liabilities are translated from the functional currency to the presentation currency at the closing rate at the end of the reporting period. The consolidated statements of income are translated at exchange rates at the dates of the transactions or at the average rate if it approximates the actual rates. All resulting exchange differences are recognized in other comprehensive income.

On disposal, or partial disposal, of a foreign entity, or repatriation of the net investment in a foreign entity, resulting in a loss of control, significant influence or joint control, the cumulative translation account balance recognized in equity relating to that particular foreign entity is recognized in profit or loss as part of the gain or loss on sale. On a partial disposition of a subsidiary that does not result in a loss of control, the amounts are reallocated to the non-controlling interest in the foreign operation based on its proportionate share of the cumulative amounts recognized in AOCI. On

partial dispositions of jointly controlled foreign entities or associates, the proportionate share of translation differences previously recognized in AOCI is reclassified to profit or loss.

5.23 BUSINESS COMBINATIONS

The Company uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary includes the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination, are measured initially at their fair values at the acquisition date. For each acquisition, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If this amount is less than the fair value of the net assets of the subsidiary acquired, such as in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Non-controlling interests represent the equity in a subsidiary not attributable, directly or indirectly, to a parent and are presented in equity in the consolidated balance sheets, separately from the parent's shareholders' equity.

5.24 OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing the performance of the operating segments and has been identified as the Executive Committee that makes strategic decisions.

6. NEW ACCOUNTING STANDARDS

The following IFRS standards became effective for the Company on January 1, 2017.

IAS 7, Statement of Cash Flows
The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes.

The Company has applied these amendments for the first time in the current year. The Company's liabilities arising from financing activities consist of cash and bank indebtedness, long-term debt and convertible debentures. A reconciliation between the opening and closing balances of these items is provided in Note 18, *"Long Term Debt and Non-Recourse Project Debt."* Consistent with the transition provisions of the amendments, the Company is not required to disclose comparative information for the prior period. Apart from the additional disclosures in Note 18, *"Long Term Debt and Non-Recourse Project Debt",* the application of these amendments had no impact on the Company's consolidated financial statements.

IAS 12, Income Taxes
The amendments to the Recognition of Deferred Tax Assets for Unrealized Losses clarify the following aspects:

- Unrealized losses on debt instruments measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use or whether it is probable that the issuer will pay all the contractual cash flows;
- When an entity assesses whether taxable profits will be available against which it can utilize a deductible temporary difference, and the tax law restricts the utilization of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;

- The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and
- In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments had no impact on the Company's financial position or results of operations.

7. FUTURE ACCOUNTING CHANGES

IFRS standards and interpretations that are issued, but not yet effective as at December 31, 2017, are disclosed below. The Company intends to adopt these standards, as applicable, when they become effective.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18, "Revenue," and IAS 11, "Construction Contracts," and the related interpretations when it becomes effective. IFRS 15 is effective for years beginning on or after January 1, 2018.

The core principle of IFRS 15 is that an entity should recognize revenue based on the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, IFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognizes revenue as a performance obligation is satisfied, i.e. when control of the goods or services underlying the particular performance obligation is transferred to the customer. Furthermore, extensive disclosures are required by IFRS 15.

A comprehensive change management project plan was developed to guide the Company's implementation of IFRS 15 and assess the impacts on business processes, systems and controls. Initially a qualitative assessment was made of the new standard, analyzing its impact on the Company's contract portfolio, comparing historical accounting policies and practices to the requirements of the new standard, and identifying potential impacts on reporting systems. In addition, the Company analyzed a sample of construction and service contracts from each segment, contract type, market sector, service focus, and risk type to assess potential impacts of the new revenue standard.

Change orders and claims, referred to as contract modifications, are currently recognized as per the guidance provided in IAS 11, "Construction Contracts". Under such guidance, revenue is recognized on contract modifications only when certain conditions are met, including the fact that it is probable the customer will approve the modification and the amount of revenue arising from it. Under IFRS 15, contract modifications are included in estimated revenue when, among other factors, management believes the Company has an enforceable right to payment, the amount can be estimated reliably, and realization is highly probable. As a result of these requirements, in some instances the timing of when revenue from contract modifications is recognized may be delayed under IFRS 15.

Any measurement changes from adopting this standard will impact the timing of revenue and margin recognition, and will result in an adjustment to equity at transition. There will be no changes to the treatment of cash flows and cash will continue to be collected in line with contractual terms.

As a result of adopting the new standard, the Company has estimated the cumulative impact to the Company's opening retained earnings as at January 1, 2018 from the reversal of revenue recognized under IAS 11 to be approximately $10,000 after taxes. Revenue from these contract modifications will be recognized when, and if, the IFRS 15 guidance is met.

The Company continues to closely monitor industry specific interpretative issues and International Accounting Standards Board ("IASB") activity related to the new standard. In addition, the Company is implementing appropriate changes to policies, business processes, systems and internal controls to support recognition and disclosure under the new standard. The Company expects additional disclosures related to revenue in the Consolidated Financial Statements as well as certain reclassifications in the Consolidated Balance Sheets once IFRS 15 is effective.

The Company intends to apply the new standard retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application.

IFRS 9, Financial Instruments
IFRS 9 introduces new requirements for classifying and measuring financial instruments and is a partial replacement of IAS 39, "Financial Instruments: Recognition and Measurement." The standard is effective for accounting periods beginning on or after January 1, 2018, with early adoption permitted. IFRS 9 mainly affects the classification and measurement of financial assets and financial liabilities; the recognition of expected credit losses; and hedge accounting.

(i) **Classification and measurement of financial assets**. The classification of financial assets is based on the Company's assessment of its business models for holding financial assets. The standard introduces new classification categories for financial assets. The main classification categories are: financial assets measured at amortized cost (assets held to maturity in order to collect contractual cash flows: principal and interest), financial assets at fair value through profit or loss (assets held for trading) and financial assets at fair value through other comprehensive income (trade, manage on a fair value basis, or maximize cash through sale). The IAS 39 available-for-sale category of financial instruments has been eliminated. The IFRS 9 accounting model for financial liabilities is broadly the same as that in IAS 39, except that in relation to the fair value option, any changes in fair value of a financial liability attributable to the Company's credit risk must be recognized in other comprehensive income (provided this does not give rise to an accounting mismatch). Based on the analysis performed to-date, the Company does not expect any material impact, given that most of the Company's assets and liabilities will continue to be recognized at amortized cost.

(ii) **Impairment of financial assets.** IFRS 9 replaces the incurred loss model of IAS 39 with a model based on expected credit losses. Under the new standard, the loss allowance for a financial instrument will be calculated at an amount equal to 12-month expected credit losses, or lifetime expected credit losses if there has been a significant increase in the credit risk on the instrument. Based on the analysis performed to-date, the Company does not expect any material impact from the current practice of recognizing credit losses.

(iii) **Hedge accounting.** IFRS 9 attempts to align hedge accounting more closely with risk management, and the new requirements establish a principle-based approach. Based on the analysis performed to-date, the Company does not expect any material change from its current practice.

IFRS 9 is applicable retrospectively, subject to certain exemptions and exceptions.

The Company expects that its financial assets and financial liabilities will continue to be measured on the same bases as is currently adopted under IAS 39.

IAS 28, Investments in Associates and Joint Ventures
The amendments to IAS 28, *"Investments in Associates and Joint Ventures,"* clarify that the qualifying entity can elect to measure an investment in an associate or a joint venture at fair value through profit or loss on an investment-by-investment basis, upon initial recognition. The amendments are effective for annual periods beginning on or after January 1, 2018. The Company does not anticipate any material change to the Company's financial position or results of operations from this amendment.

IFRIC 22, Foreign Currency Transactions and Advance Consideration
IFRIC 22 addresses how to determine the "date of transaction" for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or non-monetary liability (for example, a non-refundable deposit or deferred revenue).

The interpretation specifies that the date of transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

The interpretation is effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. Entities can apply the interpretation either retrospectively or prospectively. Specific transition provisions apply to prospective application. The Company does not anticipate any material impact to the Company's financial position or results of operations from this amendment.

IFRS 16, Leases
IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 will supersede the current lease recognition guidance including IAS 17 "Leases" and the related interpretations when it becomes effective.

Under IFRS 16, the lessee recognizes a right-of-use asset and a lease liability upon lease commencement for leases with a lease term of greater than one year. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. Subsequent measurement is determined based on the nature of the underlying asset.

The lease liability is initially measured at the present value of the lease payments payable over the lease term and discounted at the implied lease rate. If the implied lease rate cannot be readily determined, the lessee shall use their incremental borrowing rate. Subsequent re-measurement is allowed under specific circumstances.

The standard is effective for accounting periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of adopting this standard on its financial statements.

IFRS 3, Business Combinations and **IFRS 11, Joint Arrangements**
The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. The amendments are effective for annual periods beginning on or after January 1, 2019. The Company does not anticipate any material impact to the Company's financial position or results of operations as a result of these amendments.

IAS 12, Income Taxes
The amendments to IAS 12 clarify that all income tax consequences of dividends (i.e. distribution of profits) should be recognised in profit or loss, regardless of how the tax arises. The amendments are effective for annual periods beginning on or after January 1, 2019. The Company does not anticipate any material impact to the Company's financial position or results of operations as a result of these amendments.

IAS 23, Borrowing Costs
The amendments to IAS 23 clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. The amendments are effective for annual periods beginning on or after January 1, 2019. The Company does not anticipate any material impact to the Company's financial position or results of operations as a result of these amendments.

8. CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH

	December 31 2017	December 31 2016
Cash balances excluding joint operations	**$ 19,381**	$ -
Cash balances of joint operations	**285,501**	231,858
	$ 304,882	$ 231,858

Restricted cash	**$ 279,581**	$ -
	$ 279,581	$ -

Cash and cash equivalents on deposit in the bank accounts of joint operations cannot be accessed directly by the Company.

Restricted cash is cash held by Bermuda Skyport Corporation Limited. This cash cannot be used by the Company other than to finance the Bermuda International Airport Redevelopment Project.

9. TRADE AND OTHER RECEIVABLES

		December 31 2017		December 31 2016
Trade receivables	$	334,738	$	379,275
Allowance for doubtful accounts		(764)		(1,645)
		333,974		377,630
Holdbacks receivable		155,879		193,913
Other		9,609		33,216
		165,488		227,129
Total	$	499,462	$	604,759
Amounts receivable beyond one year	$	51,353	$	34,495

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

		December 31 2017		December 31 2016
Balance - beginning of year	$	(1,645)	$	(1,840)
Additional amounts provided for during year		(616)		(573)
Trade receivables written off during year		8		-
Amounts recovered		1,489		768
Balance - end of year	$	(764)	$	(1,645)

10. 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:

	December 31 2017	December 31 2016
Earned revenue on projects to date	$ 8,850,928	$ 7,769,624
Less: Billings on projects to date	8,461,970	7,478,184
Net consolidated balance sheet position	$ 388,958	$ 291,440
Reported as:		
Unbilled revenue	$ 595,639	$ 492,848
Deferred revenue	(206,681)	(201,408)
	$ 388,958	$ 291,440

11. INVENTORIES

	December 31 2017	December 31 2016
Raw materials and supplies	$ 6,510	$ 12,129
Finished goods	16,487	16,331
	$ 22,997	$ 28,460

12. 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:

	December 31, 2017			December 31, 2016		
	Joint Ventures	Associates	**Total**	Joint Ventures	Associates	Total
Cash and cash equivalents	$ 5,144	$ 2,901	**$ 8,045**	$ 3,882	$ 8,326	$ 12,208
Other current assets	48,822	910	**49,732**	33,015	4,030	37,045
Total current assets	53,966	3,811	**57,777**	36,897	12,356	49,253
Non-current assets	289,411	-	**289,411**	271,168	-	271,168
Total assets	343,377	3,811	**347,188**	308,065	12,356	320,421
Trade and other payables and provisions	19,218	1,479	**20,697**	77,029	4,037	81,066
Total current liabilities	19,218	1,479	**20,697**	77,029	4,037	81,066
Non-current financial liabilities	292,920	-	**292,920**	210,948	-	210,948
Other non-current liabilities	961	-	**961**	789	-	789
Total non-current liabilities	293,881	-	**293,881**	211,737	-	211,737
Total liabilities	313,099	1,479	**314,578**	288,766	4,037	292,803
Net assets	$ 30,278	$ 2,332	**$ 32,610**	$ 19,299	$ 8,319	$ 27,618

	For the year ended					
	December 31, 2017			December 31, 2016		
	Joint Ventures	Associates	**Total**	Joint Ventures	Associates	Total
Revenue	$ 262,017	$ 1,550	**$ 263,567**	$ 202,375	$ 33,163	$ 235,538
Depreciation and amortization	(365)	-	**(365)**	(412)	-	(412)
Other costs and expenses	(244,936)	856	**(244,080)**	(188,616)	(25,627)	(214,243)
Operating profit	16,716	2,406	**19,122**	13,347	7,536	20,883
Finance costs	(10,470)	-	**(10,470)**	(8,903)	-	(8,903)
Income tax (expense) recovery	(235)	-	**(235)**	(126)	547	421
Profit for the year	6,011	2,406	**8,417**	4,318	8,083	12,401
Other comprehensive income (loss)	2,816	-	**2,816**	(44)	-	(44)
Total comprehensive income	$ 8,827	$ 2,406	**$ 11,233**	$ 4,274	$ 8,083	$ 12,357

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

	For the year ended	
	December 31 2017	December 31 2016
Projects accounted for using the equity method - as at January 1	**$ 27,618**	$ 25,631
Share of profit for the period	**8,417**	12,401
Share of other comprehensive income (loss) for the period	**2,816**	(44)
Distributions from projects accounted for using the equity method	**(6,241)**	(10,370)
Projects accounted for using the equity method - as at December 31	**$ 32,610**	$ 27,618

The following joint ventures and associates are included in projects accounted for using the equity method:

Name	Ownership interests	Joint Venture or Associate	Years included
Yellowline Asphalt Products Ltd.	50%	Joint Venture	2017, 2016
Lower Mattagami Project	20%	Associate	2017, 2016
Waterloo LRT Concessionaire	10%	Joint Venture	2017, 2016
Eglinton Crosstown LRT Concessionaire	25%	Joint Venture	2017, 2016
New Post Creek Project	20%	Associate	2017, 2016

Projects accounted for using the equity method include various concession joint ventures as listed above. However, the construction activities related to these concessions are classified as joint operations which 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.

13. 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, 2017	$ 33,889	$ 90,011	$ 53,602	$ 265,427	$ 31,296	$ 66,076	$ 267,457	**$ 807,758**
Additions	-	7,862	2,350	43,113	2,170	9,895	9,767	**75,157**
Disposals	(409)	(137)	-	(14,735)	(441)	(6,539)	(7,639)	**(29,900)**
Foreign currency translation adjustments	-	(4)	-	(3)	(22)	(17)	-	**(46)**
Balance as at December 31, 2017	$ 33,480	$ 97,732	$ 55,952	$ 293,802	$ 33,003	$ 69,415	$ 269,585	**$ 852,969**
Accumulated depreciation and impairment								
Balance as at January 1, 2017	-	41,734	16,887	141,923	23,982	45,974	86,890	**357,390**
Depreciation	-	5,535	1,297	24,184	3,494	8,243	18,411	**61,164**
Disposals	-	(132)	-	(10,644)	(441)	(6,157)	(5,357)	**(22,731)**
Foreign currency translation adjustments	-	-	-	-	(3)	(2)	-	**(5)**
Balance as at December 31, 2017	$ -	$ 47,137	$ 18,184	$ 155,463	$ 27,032	$ 48,058	$ 99,944	**$ 395,818**
Net book value as at December 31, 2017	**$ 33,480**	**$ 50,595**	**$ 37,768**	**$ 138,339**	**$ 5,971**	**$ 21,357**	**$ 169,641**	**$ 457,151**
Net book value as at January 1, 2017	**$ 33,889**	**$ 48,277**	**$ 36,715**	**$ 123,504**	**$ 7,314**	**$ 20,102**	**$ 180,567**	**$ 450,368**
Net book value of assets under finance lease as at December 31, 2017	**$ -**	**$ -**	**$ 75**	**$ 60,478**	**$ 3**	**$ 17,812**	**$ 13,266**	**$ 91,634**

	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, 2016	$ 33,583	$ 87,512	$ 53,602	$ 252,029	$ 28,269	$ 66,493	$ 264,481	**$ 785,969**
Additions	411	4,298	-	29,841	3,193	6,930	4,864	**49,537**
Disposals	(105)	(1,799)	-	(16,443)	(166)	(7,347)	(1,888)	**(27,748)**
Balance as at December 31, 2016	$ 33,889	$ 90,011	$ 53,602	$ 265,427	$ 31,296	$ 66,076	$ 267,457	**$ 807,758**
Accumulated depreciation and impairment								
Balance as at January 1, 2016	-	36,315	15,674	130,248	19,975	44,582	73,313	**320,107**
Depreciation	-	5,523	1,213	22,750	4,012	7,992	15,385	**56,875**
Disposals	-	(104)	-	(11,075)	(5)	(6,600)	(1,808)	**(19,592)**
Balance as at December 31, 2016	$ -	$ 41,734	$ 16,887	$ 141,923	$ 23,982	$ 45,974	$ 86,890	**$ 357,390**
Net book value as at December 31, 2016	**$ 33,889**	**$ 48,277**	**$ 36,715**	**$ 123,504**	**$ 7,314**	**$ 20,102**	**$ 180,567**	**$ 450,368**
Net book value as at January 1, 2016	**$ 33,583**	**$ 51,197**	**$ 37,928**	**$ 121,781**	**$ 8,294**	**$ 21,911**	**$ 191,168**	**$ 465,862**
Net book value of assets under finance lease as at December 31, 2016	**$ -**	**$ -**	**$ 75**	**$ 44,312**	**$ 38**	**$ 17,421**	**$ 19,511**	**$ 81,357**

14. INTANGIBLE ASSETS

	Concession rights	Goodwill	Licences, software and other rights	Total
Cost				
Balance as at January 1, 2017	$ -	$ 49,373	$ 83,967	$ 133,340
Additions				
Acquired separately	207,265	-	5,160	212,425
Interest capitalized	13,010	-	-	13,010
Foreign currency translation adjustments	(11,633)	-	(15)	(11,648)
Balance as at December 31, 2017	**$ 208,642**	**$ 49,373**	**$ 89,112**	**$ 347,127**
Accumulated amortization and impairment				
Balance as at January 1, 2017	-	-	21,682	21,682
Amortization	24,215	-	8,169	32,384
Foreign currency translation adjustments	(811)	-	(6)	(817)
Balance as at December 31, 2017	**$ 23,404**	**$ -**	**$ 29,845**	**$ 53,249**
Net book value as at December 31, 2017	**$ 185,238**	**$ 49,373**	**$ 59,267**	**$ 293,878**
Net book value as at January 1, 2017	**$ -**	**$ 49,373**	**$ 62,285**	**$ 111,658**

	Concession rights	Goodwill	Licences, software and other rights	Total
Cost				
Balance as at January 1, 2016	$ -	$ 49,373	$ 77,307	$ 126,680
Additions				
Acquired separately	-	-	6,849	6,849
Disposals	-	-	(189)	(189)
Balance as at December 31, 2016	**$ -**	**$ 49,373**	**$ 83,967**	**$ 133,340**
Accumulated amortization and impairment				
Balance as at January 1, 2016	-	-	14,684	14,684
Amortization	-	-	7,187	7,187
Disposals	-	-	(189)	(189)
Balance as at December 31, 2016	**$ -**	**$ -**	**$ 21,682**	**$ 21,682**
Net book value as at December 31, 2016	**$ -**	**$ 49,373**	**$ 62,285**	**$ 111,658**
Net book value as at January 1, 2016	**$ -**	**$ 49,373**	**$ 62,623**	**$ 111,996**

Concession rights – Bermuda International Airport Redevelopment Project

The Company holds a 100% interest in Bermuda Skyport Corporation Limited ("Skyport"), a Bermudian company undertaking the L.F. Wade International Redevelopment Project in Bermuda ("Bermuda International Airport Redevelopment Project").

Skyport's main operations consist of:

(a) managing and operating the existing L.F Wade International Airport (the "Existing Bermuda Airport"); and

(b) managing the development, financing, construction, operation and maintenance of the new airport terminal and associated infrastructure (“New Airport Terminal”) under a 30-year concession arrangement.

The right to operate the Existing Bermuda Airport was initially recognized at fair value and assigned an estimated value of $92,994 (US$69,871) at the date of financial close in 2017. As at December 31, 2017 this concession right had a remaining carrying amount of $64,250. Skyport amortizes this concession right over the remaining term of the right to operate the Existing Bermuda Airport with amortization based on usage (estimated traffic volumes). The New Airport Terminal is expected to open in July 2020.

At December 31, 2017, the concession right for the New Airport Terminal, representing the costs to construct the New Airport Terminal, had a carrying amount of $120,988. Amortization of this concession right will commence after construction of the New Airport Terminal is completed.

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

Goodwill

The following CGUs or groups of CGUs have significant amounts of goodwill allocated to them for the purposes of impairment testing:

	December 31 2017	December 31 2016
CGUs:		
Social Infrastructure - Mechanical Contracting	**$ 17,192**	$ 17,192
Transportation	**14,063**	14,063
Energy West	**9,879**	9,879
Other	**8,239**	8,239
	$ 49,373	$ 49,373

The recoverable amounts of the above listed CGUs were determined based on fair value less costs to sell calculations. Fair value less costs to sell calculations use post-tax cash flow projections expected to be generated by the CGU based on financial budgets approved by management covering a two-year period. For the CGUs noted above, cash flows beyond the two-year period were extrapolated as at December 31, 2017 using a growth rate of 2% (2016 – 2%), which does not exceed the long-term average growth rate for the business in which the CGUs operate. The discount rate applied to cash flow projections as at December 31, 2017 was 9.5% (2016 – 9.5%) based on the Company’s post-tax weighted average cost of capital. Detailed sensitivity analyses were conducted to assess the impact of changes in growth rates, costs of capital and cash flows on the recoverable amount, which has not indicated that the carrying amount of the CGU exceeds the recoverable amount. Budgeted cash flows were determined by management based on the Company’s past performance, backlog currently on hand and future revenue prospects.

15. BANK INDEBTEDNESS

The Company maintains a committed revolving credit facility of $500,000 (December 31, 2016 - $400,000). Bank indebtedness, representing borrowings on the Company’s revolving credit facility, as at December 31, 2017 was $17,940 (December 31, 2016 - $7,476). Letters of credit amounting to $69,314 were issued against the credit facility as at December 31, 2017 (December 31, 2016 - $71,708). Cash drawings under the facility bear interest at rates ranging from prime to prime plus 1.20% per annum. Letters of credit reduce the amount available-for-use under the facility.

Drawings on the facility are secured by a general security agreement which provides the lenders with a first priority ranking security interest, subject to existing encumbrances, over certain existing and future assets of the Company. Security is also provided by way of a $90,000 collateral mortgage, subject to existing encumbrances, over certain aggregate properties owned by the Company, and by guarantees from all entities that are required to provide security under the general security agreement.

The Company also maintains an additional letter of credit facility of $700,000 (December 31, 2016 - $500,000) provided by Export Development Canada of which $258,275 was utilized as at December 31, 2017 (December 31, 2016 - $227,532).

16. TRADE AND OTHER PAYABLES

	December 31 2017	December 31 2016
Trade payables and accrued liabilities	**$ 534,607**	$ 494,833
Holdbacks payable	**87,256**	82,500
	$ 621,863	$ 577,333
Amounts payable beyond one year	**$ 592**	$ 2,064

17. PROVISIONS

	Contract related obligations	**Asset decommissioning costs**	**Tax assessments**	**Other**	**Total**
	(a)	(b)	(c)		
Balance as at January 1, 2017	$ 4,208	$ 3,720	$ 12,169	$ 5,529	$ 25,626
Additions made	3,234	290	1,475	10,298	15,297
Amounts used	(3,225)	-	(5,000)	(12,738)	(20,963)
Unused amounts reversed	(511)	(50)	(2,188)	-	(2,749)
Other changes	(5)	167	-	(15)	147
Balance as at December 31, 2017	**$ 3,701**	**$ 4,127**	**$ 6,456**	**$ 3,074**	**$ 17,358**
Reported as:					
Current	**2,464**	**-**	**6,456**	**2,626**	**11,546**
Non-current	**1,237**	**4,127**	**-**	**448**	**5,812**
	$ 3,701	**$ 4,127**	**$ 6,456**	**$ 3,074**	**$ 17,358**

(a) Contract related obligations are made up of contract warranty obligations and litigation risks relating to construction operations. Contract warranty obligations relate to warranties provided by the Company in respect of its construction contracts. If not used during the warranty period, these amounts will be reversed into income. Warranty periods range from one to seven years.

(b) Asset decommissioning costs relate to future legal and constructive obligations associated with the retirement of pits and quarries engaged in aggregate mining operations in Ontario and Alberta. Decommissioning obligations are expected to be settled between 2018 and 2108 at which point the amount of the liability will reverse. A 1.75% inflation factor has been applied to obtain the future value of the decommissioning costs, which has been discounted at a rate of 4.50% to obtain the present value of the obligation.

(c) Tax assessments include provisions for specific income tax exposures faced by the Company. Although final federal and provincial reassessments have not yet been issued for certain years, the Company believes that it has adequate provisions to cover the ultimate outcome of this and other tax reassessments.

18. LONG-TERM DEBT AND NON-RECOURSE PROJECT DEBT

	December 31 2017	December 31 2016
Long-term debt:		
Finance leases	**$ 73,974**	$ 59,480
Equipment and other loans	**61,709**	78,491
Total long-term debt	**$ 135,683**	$ 137,971
Reported as:		
Current liabilities:		
Current portion of long-term debt	**$ 44,472**	$ 51,568
Non-current liabilities:		
Long-term debt	**91,211**	86,403
	$ 135,683	$ 137,971

The following describes the components of long-term debt:

(a) As at December 31, 2017, finance leases of $73,974 (2016 - $59,480) bore interest at fixed and floating rates averaging 2.78% (2016 - 3.05%) per annum, with specific equipment provided as security.

(b) As at December 31, 2017, equipment and other loans of $61,709 (2016 - $78,491) bore interest at fixed and floating rates averaging 2.92% (2016 - 2.96%) per annum, with specific equipment provided as security.

The weighted average interest rate on total long-term debt outstanding (excluding convertible debentures and non-recourse project debt) as at December 31, 2017 was 2.84% (2016 - 2.98%).

		December 31 2017	December 31 2016
Non-recourse project debt:			
Bermuda International Airport Redevelopment Project financing	(a)	**$ 352,888**	$ -
Total non-recourse project debt		**$ 352,888**	$ -
Reported as:			
Non-current liabilities:			
Non-recourse project debt		**$ 352,888**	$ -
		$ 352,888	$ -

(a) Included in the Company's consolidated balance sheets as at December 31, 2017 is debt, net of transaction costs, of $352,888 (US$281,298) (2016 –$nil) representing the debt of Skyport. This debt is secured by the assets of Skyport and is without recourse to the Company.

The financing is denominated in US dollars and bears interest at 5.9% annually. Debt repayments commence in 2022 and are scheduled to continue until 2042.

The movements in net debt for 2017 are presented below:

Net debt reconciliation

	Cash/ bank overdraft	Bank indebtedness	Long-term debt	Convertible debentures	Total
Balance as at January 1, 2017	$ 231,858	$ (7,476)	$ (137,971)	$ (164,778)	**$ (78,367)**
Cash flows	72,227	(10,464)	40,120		**101,883**
Foreign exchange adjustments	797	-	-	-	**797**
Other non-cash movements	-	-	(37,832)	(3,688)	**(41,520)**
Balance as of December 31, 2017	**$ 304,882**	**$ (17,940)**	**$ (135,683)**	**$ (168,466)**	**$ (17,207)**

19. CONVERTIBLE DEBENTURES

Convertible subordinated debentures consist of:

	December 31 2017	December 31 2016
Debt component:		
Debenture maturing on December 31, 2018	**$ 168,466**	$ 164,778
Total convertible debentures	**$ 168,466**	$ 164,778
Reported as:		
Current liabilities:		
Convertible debentures	**168,466**	-
Non-current liabilities:		
Convertible debentures	**-**	164,778
	$ 168,466	$ 164,778

	December 31 2017	December 31 2016
Equity component:		
Debenture maturing on December 31, 2018	**$ 8,664**	$ 8,674

On November 27, 2013 the Company issued $172,500 of unsecured subordinated convertible debentures maturing December 31, 2018. The 2018 convertible debentures bear interest at a rate of 5.50%, payable on a semi-annual basis. At the holder's option, the 2018 convertible debentures may be converted into common shares of the Company at any time up to the maturity dates at a conversion price of $19.71 for each common share, subject to adjustment in certain circumstances. The Company may, at its option, redeem the 2018 convertible debentures from December 31, 2016 to December 31, 2017, in whole or in part, at par plus accrued and unpaid interest provided the weighted average closing price of the common shares on the Toronto Stock Exchange during a specified period prior to redemption is not less than 125% of the conversion price. From December 31, 2017 through to the maturity date, the Company, at its option, may redeem the 2018 convertible debentures, in whole or in part, at par plus accrued and unpaid interest. As at December 31, 2017, the face value of the 2018 convertible debentures, which remains outstanding, was $172,307 (2016 - $172,500).

During the year ended December 31, 2017 $198 (2016 – nil) of debentures were converted at $19.71 per share by the holders into 9,790 common shares (2016 – nil).

For the 2018 convertible debentures, subject to specified conditions, the Company has the right to repay the outstanding principal amount of the convertible debentures, on maturity or redemption, through the issuance of common shares of the Company. The Company also has the option to satisfy its obligation to pay interest through the issuance and sale of additional common shares of the Company. The 2018 convertible debentures do not contain a cash settlement feature on conversion into common shares of the Company.

The debt component is accounted for at amortized cost using the effective interest rate method. 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.

Finance costs associated with the debentures consists of:

	December 31 2017	December 31 2016
Interest expense on face value	**$ (9,488)**	$ (9,488)
Notional interest representing accretion	**(3,876)**	(3,787)
	$ (13,364)	$ (13,275)

20. CONCESSION RELATED DEFERRED REVENUE

As part of acquiring, in 2017, the rights to operate the Existing Bermuda Airport (see Note 14), $87,653 is included in concession related deferred revenue as at December 31, 2017. Concession related deferred revenue represents the estimated value of the “inducement” received by Skyport to develop and operate the New Airport Terminal.

Concession related deferred revenue also includes $24,728 received in 2017 as development funds related to the Bermuda International Airport Redevelopment Project.

All the above concession deferred revenue amounts will be amortized to earnings over the term of the New Airport Terminal concession period.

In addition, concession related deferred revenue as at December 31, 2017 also includes $5,999 (2016 - $7,111) of development funds related to other concession projects.

21. INCOME TAXES

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

	December 31 2017	December 31 2016
Profit before income taxes	$ 30,826	$ 65,512
Statutory income tax rate	26.75%	26.75%
Expected income tax expense	(8,246)	(17,524)
Effect on income taxes of:		
Projects accounted for under equity method	198	574
Impact of change in enacted tax rates on deferred tax balances	(929)	13
Provincial and foreign rate differences	5,955	368
Other non-deductible expenses	(1,689)	(1,139)
Non-deductible stock-based compensation expense	-	(4,025)
Non-taxable portion of capital gains	-	114
Adjustments in respect of prior years	1,882	914
Other tax credits	707	1,855
Other	(528)	95
	5,596	(1,231)
Income tax expense	$ (2,650)	$ (18,755)

Deferred taxes have been re-measured to reflect statutory enacted future tax rates.

Income taxes were comprised of the following:

	December 31 2017	December 31 2016
Current income tax	$ (13,871)	$ (660)
Deferred income tax	5,508	(19,950)
Other tax (provisions)/credits	5,713	1,855
Income tax expense	$ (2,650)	$ (18,755)

The movement in the components of deferred income taxes is as follows:

	2017				2016			
	January 1	(Charged) credited to the income statement	(Charged) credited to other comprehensive income	December 31	January 1	(Charged) credited to the income statement	(Charged) credited to other comprehensive income	December 31
	$	$	$	$	$	$	$	$
Canadian components:								
Net operating and capital losses carried forward	93,239	12,593	-	**105,832**	69,290	23,949	-	93,239
Reserves expensed for financial statement purposes and deducted for income tax purposes when paid	3,270	(874)	-	**2,396**	3,157	113	-	3,270
Other temporary differences	(164)	156	-	**(8)**	1,006	(1,170)	-	(164)
Other long-term differences	3,696	(1,714)	-	**1,982**	4,248	(552)	-	3,696
Actuarial and hedging gains and losses	3,159	-	(1,172)	**1,987**	2,572	-	587	3,159
Property, plant and equipment: net book value in excess of tax basis	(55,323)	4,166	-	**(51,157)**	(62,892)	7,569	-	(55,323)
Long-term contracts, including joint ventures (1)	(142,456)	(9,459)	-	**(151,915)**	(91,828)	(50,628)	-	(142,456)
Discounting convertible debentures	(1,280)	640	-	**(640)**	(2,049)	769	-	(1,280)
Deferred income tax asset (liability), net	(95,859)	5,508	(1,172)	**(91,523)**	(76,496)	(19,950)	587	**(95,859)**
Reported on the consolidated balance sheets as follows:								
Deferred income tax asset				**18,196**				23,908
Deferred income tax liability				**(109,719)**				(119,767)
Deferred income tax liability, net				**(91,523)**				**(95,859)**

[1] Results from the difference between the use of the percentage of completion method of reporting for consolidated financial statement purposes and use of the uncompleted contracts and billings less costs, excluding contractual holdbacks, for tax purposes.

Deferred tax assets are offset against deferred tax liabilities within each legal entity.

The operations of the Company are complex and related tax interpretations, regulations and legislation are subject to change. The Company believes the amounts reported as deferred income tax liabilities adequately reflect management's current best estimate of its income tax exposures (see Note 17 *"Provisions"*).

22. EMPLOYEE BENEFIT PLANS

The Company has defined benefit pension plans including supplementary executive retirement plans and defined contribution plans covering substantially all employees, other than union employees who are covered by multi-employer pension plans administered by the unions. Benefits under the defined benefit plans are generally based on the employee's years of service and level of compensation near retirement. Benefits are not indexed for inflation, except for a supplementary executive retirement plan, which is fully indexed for changes in the consumer price index. The Company does not provide post-employment benefits other than pensions.

The measurement date used for financial reporting purposes of the pension plan assets and benefit obligation is December 31. The most recent actuarial valuation filed for funding purposes for the principal defined benefit pension plan was completed as at December 31, 2016 and the next required actuarial valuation will be prepared with an effective date no later than December 31, 2019.

The defined benefit pension obligation is presented as part of Other liabilities on the consolidated balance sheets.

The financial position and other selected information related to the employee defined benefit pension plans is presented in the tables below:

		December 31 2017		December 31 2016
Change in fair value of plan assets:				
Fair value of plan assets - beginning of year	$	39,797	$	39,000
Return on plan assets greater than discount rate		1,786		474
Net interest income		1,350		1,411
Plan administration costs		(70)		(53)
Company contributions		937		1,090
Plan participant contributions		69		69
Benefits paid		(2,481)		(2,194)
Fair value of plan assets - end of year	$	41,388	$	39,797
Change in benefit obligation:				
Benefit obligation - beginning of year	$	42,548	$	41,514
Current service cost		840		678
Actuarial (gain) due to actuarial experience		(1,243)		(72)
Actuarial loss due to financial assumption changes		1,139		1,080
Actuarial loss due to demographic assumption changes		299		-
Net interest cost		1,426		1,473
Benefits paid		(2,481)		(2,194)
Plan participant contributions		69		69
Benefit obligation - end of year	$	42,597	$	42,548
Funded status:				
Fair value of plan assets	$	41,388	$	39,797
Defined benefit obligation		(42,597)		(42,548)
Pension liabilities at December 31	$	(1,209)	$	(2,751)

	2017	2016
Weighted average assumptions used to calculate benefit obligation:		
Discount rate	3.25%	3.50%
Rate of increase in future compensation	3.00%	3.00%
Asset categories of pension assets:		
Debt securities	45.07%	43.54%
Equity securities	45.50%	44.46%
Cash and short-term notes	9.43%	12.00%

		December 31 2017		December 31 2016
Defined benefit pension expense:				
Current service cost, net of employee contributions	**$**	**840**	$	678
Net interest cost		**76**		62
Plan administration costs		**70**		53
Defined benefit pension expense recognized in profit or loss		**986**		793
Actuarial (gain) loss recognized in other comprehensive income		**(1,592)**		534
Defined benefit pension expense	**$**	**(606)**	$	1,327
Other pension expense:				
Defined contribution pension expense	**$**	**6,691**	$	6,443
Multi-employer pension plan expense		**72,524**		105,565
Other pension expense	**$**	**79,215**	$	112,008
Weighted average assumptions used to calculate defined benefit pension expense:				
Discount rate		**3.50%**		3.50%
Rate of increase in future compensation		**3.00%**		3.00%

During 2018, the Company expects to make contributions of $920 to the defined benefit plans.

		December 31 2017		December 31 2016
Total cash contribution for employee pension plans:				
Defined benefit plans	**$**	**937**	$	1,090
Defined contribution plans		**6,691**		6,443
Multi-employer pension plans		**72,524**		105,565
	$	**80,152**	$	113,098

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 the assumptions, will result in gains or losses that will be revealed in future accounting valuations. As a result of the uncertainty associated with these estimates, there is no assurance that the plans will be able to earn the assumed rate of return on plan assets. Furthermore, market driven changes may result in changes to discount rates and other variables, which would result in the Company being required to make contributions to the plans in the future that may differ significantly from estimates. As a result, there is a significant amount of measurement uncertainty involved in the actuarial valuation process. This measurement uncertainty may lead to potential fluctuations in financial results attributable to the selection of actuarial assumptions and other accounting estimates involved in the determination of pension expense and obligations. A significant actuarial and accounting assumption impacting the reporting of pension plans is the discount rate assumption. As at December 31, 2017, the Company used a discount rate of 3.25% in its pension plan calculations for consolidated financial statement purposes. The impact of a 0.5% decrease in the discount rate assumption would have resulted in an increase in the pension benefit obligation of approximately $2,990 as at December 31, 2017 and an increase in the estimated 2018 pension expense of approximately $118.

The weighted average duration of the defined benefit obligation is 10.7 years.

23. 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 17, *"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:

	Project	December 31 2017
Letters of credit:		
In support of the Company's equity obligations	Bermuda International Airport Redevelopment Project	$ 87,050
Financial and performance - issued in the normal conduct of business	Various	240,540

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 December 31, 2017, the value of uncompleted work for which the Company's associate and joint arrangement partners are responsible, and which the Company could be responsible for assuming, amounted to approximately $4,845,814, 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.

24. COMMITMENTS UNDER NON-CANCELLABLE OPERATING LEASES

The Company has commitments for equipment and premises under operating leases, which require the following future minimum payments:

	Future minimum lease payments December 31, 2017
Due within one year	$ 9,362
Due beyond one and up to five years	26,255
Due beyond five years	21,324
	$ 56,941

In 2017, minimum lease payments recognized as an operating lease expense were $14,370.

25. CAPITAL STOCK

	December 31, 2017			December 31, 2016		
	Number		**Amount**	**Number**		**Amount**
Number of common shares outstanding - beginning of year	**57,863,017**	**$**	**346,770**	**56,817,357**	**$**	**332,275**
Common shares issued on exercise of share options	150,000		2,610	100,000		1,491
Common shares issued on conversion of debentures	9,790		198	-		-
Shares issued to settle LTIP/Director DSU obligations	1,276,050		18,034	945,660		13,004
Number of common shares outstanding - end of year	**59,298,857**	**$**	**367,612**	**57,863,017**	**$**	**346,770**

The Company is authorized to issue an unlimited number of common shares.

STOCK−BASED COMPENSATION

Long-Term Incentive Plan

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

In 2017, the Company recorded LTIP compensation charges of $15,484 (2016 - $15,899).

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 year ended December 31, 2017			For the year ended December 31, 2016		
	Number of share options		**Weighted average exercise price**	Number of share options		Weighted average exercise price
Balance outstanding - beginning of year	**270,000**	**$**	**12.38**	420,000	$	11.81
Expired	**-**		**-**	(50,000)		10.41
Exercised	**(150,000)**		**12.74**	(100,000)		11.00
Balance outstanding - end of year	**120,000**		**11.92**	270,000		12.38
Options exercisable - end of year	**120,000**	**$**	**11.92**	270,000	$	12.38

Share options outstanding as at December 31, 2017 had the following exercise prices and expiry dates:

Share options granted in	**Number of shares**		**Exercise price**	**Expiry date**
2013	120,000		11.92	March 14, 2018
	120,000	$	11.92	

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

Other Stock-based Compensation – Director DSU Awards

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

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

For the year ended December 31, 2017, the Company recorded Director DSU compensation charges of $953 (2016 - $769).

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

	For the year ended December 31, 2017		For the year ended December 31, 2017	
	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 year	**3,399,388**	**$ 11.93**	**156,786**	$ **13.83**
Granted	**774,626**	**15.88**	**55,021**	**15.79**
Dividend equivalent rights	**103,454**	**12.58**	**5,869**	**14.27**
Settled	**(1,335,342)**	**12.80**	**-**	**-**
Forfeited	**(97,677)**	**14.23**	**-**	**-**
Balance outstanding - end of year	**2,844,449**	**$ 12.54**	**217,676**	$ **14.33**

Amounts included in contributed surplus in the consolidated balance sheets as at December 31, 2017 in respect of LTIP and Director DSUs were $32,396 (December 31, 2016 - $36,107) and $3,120 (December 31, 2016 - $2,168), respectively.

26. EXPENSES

	For the year ended	
	December 31 2017	December 31 2016
Personnel	**$ 927,905**	$ 1,210,944
Subcontractors	**858,692**	1,082,184
Materials	**688,413**	595,906
Equipment costs	**169,152**	170,896
Depreciation of property, plant and equipment and amortization of intangible assets	**93,548**	64,062
Other expenses	**29,081**	25,801
Total expenses	**$ 2,766,791**	$ 3,149,793

Reported as:

	For the year ended	
	December 31 2017	December 31 2016
Direct costs and expenses	**$ 2,486,705**	$ 2,900,665
Marketing, general and administrative expenses	**186,538**	185,066
Depreciation and amortization	**93,548**	64,062
Total expenses	**$ 2,766,791**	$ 3,149,793

27. OTHER INCOME

	For the year ended			
	December 31 2017		December 31 2016	
Foreign exchange gain	**$**	**2,745**	$	3,668
Gain on sale of property, plant and equipment		**2,689**		1,790
Insurance proceeds		**1,800**		5,900
Loss on other assets		**(953)**		-
Total other income	**$**	**6,281**	$	11,358

In 2017, the Company recorded business interruption insurance proceeds of $1,800 (2016 - $5,900 in relation to the wildfires in Fort McMurray, Alberta).

28. FINANCE COSTS

	For the year ended			
	December 31 2017		December 31 2016	
Interest and notional interest on long-term debt and debentures	**$**	**16,608**	$	16,066
Interest on finance leases		**1,827**		3,279
Interest on short-term debt		**5,107**		2,313
Notional interest on provisions		**162**		211
Total finance costs	**$**	**23,704**	$	21,869

29. EARNINGS PER SHARE

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

	For the year ended	
	December 31 2017	December 31 2016
Profit attributable to shareholders	**$ 28,176**	$ 46,757
Interest on convertible debentures, net of tax [1]	**9,789**	9,757
Diluted net earnings	**$ 37,965**	$ 56,514
Average number of common shares outstanding	**58,637,456**	57,361,614
Effect of dilutive securities:[1]		
Options	**37,259**	60,746
Convertible debentures [1]	**10,495,151**	11,369,273
Long-term incentive plan	**3,062,125**	3,556,174
Weighted average number of diluted common shares outstanding	**72,231,991**	72,347,807
Basic earnings per share	**$ 0.48**	$ 0.82
Diluted earnings per share [1]	**$ 0.46**	$ 0.77

[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 (loss) per share.

30. SUPPLEMENTARY CASH FLOW INFORMATION

Change in other balances relating to operations

	For the year ended	
	December 31 2017	December 31 2016
Decrease (increase) in:		
Trade and other receivables	**$ 104,511**	$ (49,170)
Unbilled revenue	**(103,105)**	(145,391)
Inventories	**5,463**	(379)
Prepaid expenses	**76**	3,649
Increase (decrease) in:		
Trade and other payables	**43,675**	68,495
Provisions	**(15,963)**	(7,854)
Deferred revenue	**4,378**	16,045
Concession related deferred revenue	**25,293**	-
	$ 64,328	$ (114,605)

Cash flows from interest

	For the year ended	
	December 31 2017	December 31 2016
Operating activities		
Cash interest paid	**$ (28,031)**	$ (17,364)
Cash interest received	**5,321**	282

	For the year ended	
	December 31 2017	December 31 2016
Non-cash transactions		
Property, plant and equipment acquired and financed by finance leases	**$ 37,830**	$ 16,419

31. 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 December 31, 2017, the Company had outstanding contracts to sell US$600 (December 31, 2016 – buy EUR€88, sell US$6,800 and buy US$3,393) on which there was a net unrealized exchange gain of $11 (December 31, 2016 - loss of $355). 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 December 31, 2017			
	Total	**Level 1**	**Level 2**	**Level 3**
Financial assets (liabilities) measured at fair value:				
Cash flow hedge	$ 1,143	$ -	$ 1,143	$ -
Financial assets (liabilities) disclosed at fair value:				
Long-term financial assets	2,260	-	2,260	-
Current portion of long-term debt	(47,575)	-	(47,575)	-
Long-term debt	(89,951)	-	(89,951)	-
Non-recourse project debt	(352,888)		(352,888)	
Convertible debentures	(175,950)	(175,950)	-	-

During the year ended December 31, 2017, 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
Financial instruments that subject the Company to credit risk consist primarily of cash and cash equivalents, short-term deposits and marketable securities, accounts receivable, holdbacks receivable, unbilled revenues, and foreign exchange contracts.

Credit risk associated with cash and short-term deposits is minimized by ensuring these financial assets are placed with financial institutions with investment grade credit ratings and by placing a limit on the amount that can be invested with any single financial institution.

The credit risk associated with foreign exchange contracts arises from the possibility the counterparty to one of these contracts fails to perform according to the terms of the contract. Credit risk associated with foreign exchange contracts is minimized by entering into such transactions with major Canadian financial institutions.

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. The credit quality of the Company's significant customers is monitored on an ongoing basis and allowances are provided for potential losses that have been incurred at the consolidated balance sheet date. Receivables that are neither past due nor impaired are considered by management to have no significant collection risk. The liquidity of customers and their ability to pay receivables are considered in the impairment of such assets. No collateral is held in respect of impaired assets or assets that are past due but not impaired. The Company provides an allowance for credit losses in the year in which there is objective evidence of impairment on a case by case basis when they are over 60 days past due or if there is an indication a customer will not be satisfying their payment obligation.

As at December 31, 2017, the Company had $59,513 in trade receivables that were past due. Of this amount, $46,832 was over 60 days past due, against which the Company has recorded an allowance for doubtful accounts of $764.

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.

The Company's approach is to ensure it will have sufficient liquidity to meet operational, tax, capital and regulatory requirements and obligations, under both normal and stressed circumstances. Cash flow projections are prepared and reviewed quarterly by the Board of Directors to ensure a sufficient continuity of funding. Long-term debt maturities are spread over a range of dates, thereby ensuring the Company is not exposed to excessive refinancing risk in any one year. The Company's cash and cash equivalents, short-term deposits and restricted cash are invested in highly liquid interest bearing investments.

Contractual maturities for financial liabilities as at December 31, 2017 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	$ -	$ 17,940	$ -	$ 17,940	$ -	$ 17,940
Trade and other payables	$ 621,271	$ 592	$ -	$ 621,863	$ -	$ 621,863
Finance leases	$ 23,114	$ 50,087	$ 5,073	$ 78,274	$ (4,300)	$ 73,974
Equipment and other loans	24,630	36,587	3,828	65,045	(3,336)	61,709
	47,744	86,674	8,901	143,319	(7,636)	135,683
Non-recourse project debt	21,094	87,275	632,685	741,054	(388,166)	352,888
Convertible debentures	181,988	-	-	181,988	(13,522)	168,466
Long-term financial liabilities	$ 250,826	$ 173,949	$ 641,586	$ 1,066,361	$ (409,324)	$ 657,037

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.

As at December 31, 2017, the interest rate profile of the Company's long-term debt and non-recourse project debt was as follows:

Fixed rate instruments	$ 135,598
Variable rate instruments	85
Total long-term debt	$ 135,683
Fixed rate non-recourse project debt	$ 352,888
Fixed rate convertible debentures	$ 168,466

For the year ended December 31, 2017, 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.

Changes in interest rates related to fixed rate long-term debt instruments, non-recourse project debt and convertible debentures would not have had an impact on net earnings or comprehensive income in the current period.

Cash and cash equivalents, restricted cash and short-term deposits have limited interest rate risk due to their short-term nature.

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 sensitivity to a 10% change in the US dollar against the Canadian dollar as at December 31, 2017 to profit or loss for currency exposures would be $2,690. 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.

Additional information on financial instruments:

	Fair value through profit or loss	Held-to-maturity	Loans and receivables	Amortized cost	Total carrying amount	Total fair value
Cash and cash equivalents	$ -	$ -	$ 304,882	$ -	**$ 304,882**	**$ 304,882**
Restricted cash	-	-	279,581	-	**279,581**	**279,581**
Trade and other receivables	-	-	499,462	-	**499,462**	**499,462**
Unbilled revenue	-	-	595,639	-	**595,639**	**595,639**
Long-term financial assets	-	1,628	632	-	**2,260**	**2,260**
	$ -	$ 1,628	$ 1,680,196	$ -	**$ 1,681,824**	**$ 1,681,824**
Bank indebtedness	$ -	$ -	$ -	$ 17,940	**$ 17,940**	**$ 17,940**
Trade and other payables	-	-	-	621,863	**621,863**	**621,863**
Current portion of long-term debt	-	-	-	44,472	**44,472**	**47,575**
Convertible debentures	-	-	-	168,466	**168,466**	**175,950**
Non-recourse project debt	-	-	-	352,888	**352,888**	**352,888**
Long-term debt	-	-	-	91,211	**91,211**	**89,951**
	$ -	$ -	$ -	$ 1,296,840	**$ 1,296,840**	**$ 1,306,167**

Cash and cash equivalents, restricted cash, marketable securities, trade receivables, trade payables and accrued liabilities approximate their fair values on a discounted cash flow basis because of the short-term nature of these instruments. In general, investments with original maturities of greater than three months and remaining maturities of less than one year are classified as short-term investments. Investments with maturities beyond one year may be classified as current based on their highly liquid nature and because such marketable securities represent the investment of cash that is available for current operations.

Other financial instruments held or issued by the Company include holdbacks receivable, non-interest bearing project advances payable or holdbacks payable, which are amounts directly related to construction contracts. These amounts, by their nature, do not bear interest and consideration for the time value of money is thus negotiated into the price of the contracts. The Company does not have plans to sell these financial instruments to third parties and will realize or settle them in the normal course of business. No quoted market price exists for these instruments because they are not traded in an active and liquid market. Accordingly, the fair values of holdbacks receivable, non-interest bearing project advances payable or holdbacks payable, which are due within one year, are considered to approximate their carrying values. For those financial instruments that are due beyond one year, the Company has valued them to reflect the time value of money and the credit risk or the borrowing risk associated with these financial instruments.

The fair value of long-term debt is derived by discounting the remaining principal and interest payments at interest rates reflective of the Company's current cost of borrowing for similar debt. These interest rates were calculated by using the Canadian interest rate swap yield at year-end and adjusting for the credit spread that reflects the Company's cost of secured credit. The fair value of the convertible debentures was obtained from quoted prices observable on the Toronto Stock Exchange.

Convertible debentures are discussed further in Note 19.

32. 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.

The Company's principal objectives in managing capital are:

- to ensure sufficient liquidity to adequately fund the ongoing operations of the business;
- to provide flexibility to take advantage of contract and growth opportunities that are expected to provide satisfactory returns to shareholders;
- to maintain a strong capital base so as to maintain client, investor, creditor and market confidence;
- to provide a superior rate of return to its shareholders; and
- to comply with financial covenants required under its various borrowing facilities.

The Company manages its capital structure and adjusts it in light of changes in economic conditions. In order to maintain or adjust its capital structure, the Company may issue new debt or repay existing debt, issue new shares, issue convertible debt, or adjust the amount of dividends paid to shareholders. Financing decisions are generally made on a specific transaction basis and depend on such things as the Company's needs, capital markets and economic conditions at the time of the transaction.

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 December 31, 2017, the debt to capitalization percentage including convertible debentures as debt was 28% (December 31, 2016 - 29%). 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 13% as at December 31, 2017 (December 31, 2016 - 13%). 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 December 31, 2017, the Company complied with all of its financial debt covenants.

33. 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.

The **Infrastructure segment** includes all aspects of the construction of both public and private infrastructure, primarily in Canada and on a selected basis, internationally. The Infrastructure segment focuses primarily on the transportation, heavy civil and social infrastructure sectors.

The **Energy segment** encompasses a full suite of service offerings to the energy sector including industrial construction and manufacturing activities such as in-plant construction, site construction and module assembly. The activities of the Energy segment are concentrated predominantly in Canada. The Energy segment focuses primarily on oil and gas, power generation, utilities, and energy support services sectors.

The **Mining segment** offers turn-key services consolidating Aecon's mining capabilities and services across Canada, including both mine site installations and contract mining. This segment focuses on delivering construction services that span the scope of a project's life cycle from overburden removal and resource extraction to processing and environmental reclamation.

Activities within the **Concessions segment** include the development, financing, design, construction and operation of infrastructure projects such as toll roads, airports, and transit systems, by way of build-operate-transfer, build-own-operate-transfer and other public-private partnership contract structures.

For the year ended December 31, 2017

	Infrastructure	Energy	Mining	Concessions	Other and eliminations	Total
Consolidated Statements of Income						
External customer revenue	$ 818,575	$ 1,465,095	$ 386,800	$ 135,258	$ -	**$ 2,805,728**
Inter-segment revenue	131,817	7,106	9,775	-	(148,698)	**-**
Total revenue	950,392	1,472,201	396,575	135,258	(148,698)	**2,805,728**
Which includes:						
Construction revenue	950,392	1,472,201	396,575	-	(148,698)	**2,670,470**
Concession revenue	-	-	-	135,258	-	**135,258**
Expenses	$ (936,202)	$ (1,420,711)	$ (385,429)	$ (123,873)	$ 99,424	**$ (2,766,791)**
Which include:						
Depreciation and amortization	(19,843)	(21,927)	(26,504)	(24,592)	(682)	**(93,548)**
Other income (loss):						
Foreign exchange gain (loss)	$ 507	$ 2,576	$ 9	$ 172	$ (519)	**$ 2,745**
Gain (loss) on other assets	42	(1,000)	5	-	-	**(953)**
Gain (loss) on sale of property, plant and equipment	1,372	2,327	(1,010)	-	-	**2,689**
Proceeds from insurance	-	-	1,800	-	-	**1,800**
Income from projects accounted for using the equity method	$ 3,603	$ 18	$ 82	$ 4,714	$ -	**$ 8,417**
Operating profit (loss)	$ 19,714	$ 55,411	$ 12,032	$ 16,271	$ (49,793)	**$ 53,635**
Finance income (cost):						
Finance income						**$ 895**
Finance costs						**(23,704)**
Profit before income taxes						**$ 30,826**
Income tax expense						**(2,650)**
Profit for the year						**$ 28,176**

	Infrastructure	Energy	Mining	Concessions	Other and eliminations	Total
Consolidated Balance Sheets						
Segment assets	$ 643,864	$ 822,231	$ 381,854	$ 594,491	$ 84,350	**$ 2,526,790**
Which include:						
Projects accounted for using the equity method	19,921	20	687	11,982	-	**32,610**
Segment liabilities	$ 508,984	$ 332,171	$ 134,340	$ 496,715	$ 283,105	**$ 1,755,315**
Additions to non-current assets:						
Property, plant and equipment	$ 25,640	$ 31,859	$ 15,191	$ 1,293	$ 1,174	**$ 75,157**
Intangible assets	$ 206	$ -	$ -	$ 207,666	$ 4,553	**$ 212,425**

For the year ended December 31, 2016						
	Infrastructure	Energy	Mining	Concessions	Other and eliminations	Total
Consolidated Statements of Income						
External customer revenue	$ 1,018,392	$ 1,344,382	$ 853,504	$ 3,497	$ (6,642)	**$ 3,213,133**
Inter-segment revenue	13,217	12,541	7,120	-	(32,878)	**-**
Total revenue	1,031,609	1,356,923	860,624	3,497	(39,520)	**3,213,133**
Which includes:						
Construction revenue	1,031,609	1,356,923	860,624	-	(39,520)	**3,209,636**
Concession revenue	-	-	-	3,497	-	**3,497**
Expenses	$ (1,010,272)	$ (1,323,696)	$ (798,521)	$ (6,831)	$ (10,473)	**$ (3,149,793)**
Which include:						
Depreciation and amortization	(19,642)	(20,725)	(22,976)	(166)	(553)	**(64,062)**
Other income (loss):						
Foreign exchange gain (loss)	$ 96	$ 3,428	$ (139)	$ (138)	$ 421	**$ 3,668**
Gain (loss) on sale of property, plant and equipment	1,733	744	(687)	-	-	**1,790**
Proceeds from insurance	-	200	5,700	-	-	**5,900**
Income from projects accounted for using the equity method	$ 9,255	$ 130	$ 585	$ 2,431	$ -	**$ 12,401**
Operating profit (loss)	$ 32,421	$ 37,729	$ 67,562	$ (1,041)	$ (49,572)	**$ 87,099**
Finance income (cost):						
Finance income						**$ 282**
Finance costs						**(21,869)**
Profit before income taxes						**$ 65,512**
Income tax expense						**(18,755)**
Profit for the year						**$ 46,757**

	Infrastructure	Energy	Mining	Concessions	Other and eliminations	Total
Consolidated Balance Sheet						
Segment assets	$ 763,918	$ 613,914	$ 427,619	$ 111,951	$ 88,083	**$ 2,005,485**
Which include:						
Projects accounted for using the equity method	23,710	177	2,043	1,688	-	**27,618**
Segment liabilities	$ 504,080	$ 217,353	179,749	$ 27,361	$ 323,343	**$ 1,251,886**
Additions to non-current assets:						
Property, plant and equipment	$ 15,701	$ 16,000	12,986	$ -	$ 4,850	**$ 49,537**
Intangible assets	$ -	$ 299	-	$ -	$ 6,550	**$ 6,849**

Geographic segment information:

	December 31 2017	December 31 2016
Revenue from external customers:		
Canada	$ 2,590,122	$ 3,197,628
USA	13,311	15,505
International	202,295	-
	$ 2,805,728	$ 3,213,133

Property, plant, equipment and intangible assets		
Canada	$ 564,055	$ 562,011
USA	293	15
International	186,681	-
	$ 751,029	$ 562,026

Revenue from external customers has been attributed to individual countries on the basis of the customer's location.

Revenue from the Company's largest customer accounted for approximately 18% of consolidated revenue for the year ended December 31, 2017. The customer and its affiliated entities are located in Canada, with revenue recorded primarily in the Energy segment.

34. RELATED PARTIES

The Company conducts its business principally through the following subsidiary companies, all of which are wholly owned:

Subsidiary	Jurisdiction of Incorporation
Aecon Construction Group Inc.	Canada
Aecon Construction and Materials Limited	Ontario
Canonbie Contracting Limited	Alberta
Aecon Infrastructure Management Inc.	Alberta
Aecon Transportation West Ltd.	Alberta
West Carleton Sand and Gravel Inc.	Ontario
Bermuda Skyport Corporation Limited	Bermuda

The Company also conducts its business through the following significant joint arrangements and associates:

Joint arrangements and associates	Country of operations	Ownership interests	Nature of activities
Waneta Dam Project	Canada	60.0%	Construction
Northeast Anthony Henday Drive Project	Canada	22.5%	Construction
Lower Mattagami Project	Canada	20.0%	Construction
Port Mann Project	Canada	40.0%	Construction
OPG Darlington RFR Project	Canada	50.0%	Construction
OPG Darlington D20 Project	Canada	60.0%	Construction
Eglinton Tunnel	Canada	50.0%	Construction
John Hart Generating Station Project	Canada	60.0%	Construction
Waterloo LRT Project	Canada	51.0%	Construction
Waterloo LRT Concessionaire	Canada	10.0%	Concession
Eglinton Crosstown Light Rail Transit Project	Canada	25.0%	Construction
Eglinton Crosstown LRT Concessionaire	Canada	25.0%	Concession
Yellowline Asphalt Products Ltd.	Canada	50.0%	Construction
New Post Creek Project	Canada	20.0%	Construction
SA Energy Group	Canada	50.0%	Construction
Bruce Power Steam Generator Replacement	Canada	40.0%	Construction

Key management includes the Company's Board of Directors and Executive Committee. Compensation awarded to key management is as follows:

	December 31 2017	December 31 2016
Short-term employee benefits	$ 5,007	$ 6,522
Post-employment benefits	72	102
Stock-based payments	4,241	6,266
	$ 9,320	$ 12,890