

AGM Speech—May 6, 2011

Thank you Paul and a pleasant welcome to everyone here today.

Before we get into a review of 2010 and a quick look forward, as this is my first address to you in this position, I must say that over the years of sitting with you in the audience for this event I often thought to myself “what kind of tricky question could I come up with to stump the speaker”. Now, with the shoe on the other foot, I hope that you are not contemplating asking me any questions that would be difficult to answer. I don’t want to have to call security into the meeting.

It is almost a year since I assumed this position and I am appreciative of the support from the Board led by Paul Charette. The transition from Paul Raboud to me over the past couple of years since we made this decision has gone very smoothly with no impact on our operations. I want to take this opportunity to thank Paul Raboud for his dedication to Bird in the various roles that he has assumed over his many long years of service with the Company. Paul continues to be an exceptional ambassador and extremely dedicated employee for the Company in his new role, which is focusing on business development and the PPP market. He also provides ongoing extraordinary advice to me as I become more immersed in the role I am in. Thanks Paul and I look forward to your continued contributions to the Company. As an aside, we will be welcoming Paul into the 25 Year Club next month during a celebration in Toronto.

From a financial perspective, considering the strong head winds that the construction industry encountered in 2010, Bird performed very well. While the results did not match the levels of 2009, they are still quite remarkable in light of the increased competitiveness experienced in most of our operating areas. On the screen now are the highlights of the financial results for the year 2010 with comparatives to the previous year.

- Volume—decline by \$24M or just under 3%

- Pre tax income—down by \$19M or 25%
- Net income—down by \$9.5M or 17%
- Working capital—up by almost \$20M or 16%
- Awards—up by \$390M or 50%, led by 4 PPP projects that we will preview later (approx. \$500M)
- Backlog (record surpassing Q4 2008)—up \$328M or 36% (unfortunately RAM now removed from Backlog)
- All branches performed very well contributing to the 2010 results
- Market sector comparison 09 to 10

While we were busy securing and executing work to produce the financial results for 2010 that we just discussed and to position the Company for future earnings, a number of other initiatives were taking place within the Company to ensure that we are able to continue our growth into the future. In part, some of the highlights of 2010 included the following:

A. Operationally

1. We turned over our first PPP projects that we were involved with. In Alberta, ASAP I, a bundle of 18 schools was turned over in June 2010. That project team of some 80 staff members in a Joint Venture with Graham Construction of Calgary was lead by Ian Boyd with staff coming from our Halifax, Saint John, Edmonton and Calgary branches. The second PPP project that was turned over was a bundle of 2 schools in New Brunswick that were designed and built in 16 months.
2. Lead by Paul Raboud, the Company secured another 4 PPP projects last year comprised of ASAP II in Edmonton & Calgary, RCMP E Division Headquarters in Surrey, OPP Stations scattered throughout Ontario and the Thunder Bay Courthouse in Ontario. As we entered 2011, we had 5 PPP projects under construction. The Surrey Outpatient Facility, which commenced construction in the fall of 2008, was recently turned over to the client.

3. The Company secured its first major project in Newfoundland, the Pleasantville consolidation project at the Canadian Forces Base in St. John's.
4. Other securements across the Company resulted in a record level of securements in 2010 and a record Backlog being carried into 2011.

B. Behind the scenes

1. With the commencement of full taxation of income trusts in January 2011, the Company completed its corporate re-organization from a trust back to a corporation. Now known as Bird Construction Inc., we are a regular dividend paying organization again.
2. The accounting community is moving from Canadian GAAP to International Financial Reporting Standards and with this the Company has been making the required modifications to its accounting protocol to reflect these changes. The 2011 first quarter report to shareholders will be issued within the IFRS reporting framework.
3. In late 2009 the Company made the decision to purchase the Viewpoint construction accounting package as a replacement for the aging Jonas system that has been in use by the Company for over a couple of decades. The Viewpoint system is a fully integrated ERP system with complete backroom accounting that is tied in to operational systems management. When fully functioning, we anticipate a streamlining of both our operational and accounting systems to better process data within the Company and to respond to our customers' needs. We have just commenced with the use of the Viewpoint system as the primary company accounting system after over a year of conversion and

testing. This process has been lead by Mike Langedock and Cindy Chic of our Winnipeg Controller's Department. They and their staff have been working virtually night and day for the last year to get this completed.

4. We have designed and launched our SharePoint site, a collaborative web based site for sharing documents and information both internally and externally related to our projects. This is expected to make document work flow in a more seamless manner with the various stakeholders on our projects. We are using this now internally to communicate with employees and externally on our large projects.

C. Human Resources

As our employee base is the only real asset the Company has, we have applied a concentrated effort towards the continued recruitment, development and retention of our staff. The Company has continued to grow and added an additional 100 permanent staff members to our organization in 2010. Some of the initiatives undertaken by the Company in the last year or so related to employees included the following:

1. To assist with our growth, we established our Employee Referral Programs to promote the recruiting of staff for the Company. These are a set of programs designed to encourage our employees to work in the area of staff recruitment in order to compliment the work we are doing with our HR department.
2. We have increased the intensity of our employee development programs by providing regular training sessions to all levels of our staff. These are comprised of monthly lunch and learns on a wide range of general interest topics, quarterly technical & operationally based seminars that are presented by both internal

and external speakers, and more extensive full day training sessions on a very targeted topic of need to the organization.

3. The pinnacle of our training programs, the Bird Leadership Academy, is scheduled to commence later this month. This 11 day, 5 module intensive training session is targeting potential leaders within the Company in an effort to accelerate their progression into leadership roles to facilitate succession planning and Company growth. In addition to Company speakers, the Academy will utilize top notch motivational and leadership lecturers from throughout North America and be presented at the Schulich School of Business on the York University campus in Toronto. We received 103 applications from the employees in Bird and have selected 22 to participate in the first session of the Academy. This initiative is being lead by Jim Brennan, our SVP based in Halifax.

4. Collaboration amongst our branches to pursue and execute construction projects has been more extensive than ever producing solid results for the Company and further instilling a culture of camaraderie amongst our staff. The majority of our major projects are being staffed with employees from multiple branches. As the size and complexity of the work we pursue and execute continues to expand, the requirement for a team effort with staff coming from where the expertise exists within the Company is paramount. We will continue to function in this manner.

5. Finally, in 2010 we celebrated the 50th Anniversary of consecutive year's service of Richard Turchinetz. Richard commenced employment with Bird in 1960 as a timekeeper here in Winnipeg and progressed through the Company with significant roles in the Winnipeg, Edmonton and Toronto branches. Whether it is a good thing or a bad thing, Richard was responsible for hiring a number of current senior leaders in the Company, including Paul Raboud and myself. A celebration in Richard's honour for him and his family was held last fall in Toronto.

Looking ahead to the remainder of 2011, this will be a very challenging year as the economic downturn fully makes its way through the construction industry. Bird, as do most contractors, has a full plate of work as evidenced by our record Backlog. However, the work now being processed through our books was secured in a more competitive environment and will have fees embedded within that work commensurate with that competition in mind.

With this record Backlog to burn off, we are working at full capacity in most of our operations. This will limit our ability to further secure more work until some capacity is created with the completion of some of the existing work on hand. It is our objective to target projects that will produce margins similar to that of earlier more buoyant years as we hopefully start to see the end of the recession relative to the construction marketplace.

While there are signs of this occurring, our earlier expectations that this would commence as we moved towards the end of 2011 and into 2012 are starting to be doubted. Projects that were supposed to move into design by the middle of this year allowing construction to proceed in late 2011 are not moving as quickly as expected. We are now of the opinion that it will be into the middle of 2012, at the earliest, before we see any significant improvement in the construction markets that we operate in producing bottom line results.

From coast to coast, the anticipated relative strength of our markets is as follows:

- BC is expected to remain very competitive and this area is one of the few where we will have some operational capacity.
- Southern Alberta is also expected to remain reasonably competitive with a large number of contractors pursuing a limited number of opportunities. We will have capacity here later in 2011.
- Northern Alberta, and in particular the oil sands where we have been strong in the past, is showing signs of opening up again. But the

announcements of work commencing are not yet being reflected in the award of contracts to the construction industry.

- Saskatchewan and Manitoba are reasonably strong. Our Winnipeg branch has been the most successful at securing work recently. As we are tapped out from a capacity perspective in Winnipeg, we are bringing in project teams from elsewhere in the Company to execute the opportunities that we are securing there.
- Ontario is a very competitive market, particularly in the Toronto area. We are finding our best opportunities lie outside of the GTA and will be looking at projects in that geographical area.
- Our operations in Atlantic Canada remain steady with a reasonable opportunity for work, but at competitive prices. We will look to pursue projects that provide superior returns while maintaining a solid stable of small jobs to create development opportunities for our staff.

Notwithstanding the challenges that are ahead of us, we have an outstanding group of creative and dedicated employees that will work as a team to identify lucrative opportunities and then to pursue them with vigour, ensuring our success. Once a job is secured, we will assign first rate construction professionals to build the projects safely, on time, on budget and to the client's complete satisfaction.

We are in the process of developing a refreshed company brochure with a tag line that embodies the principals of tradition, trust and service to create value for our clients. This is the essence of our Mission Statement and will provide the underlying ideals for the employees of Bird as we go about our business. It will be the basis on which we produce another successful year for the shareholders of Bird in 2011.

Thank you and I will now turn the podium back to Paul Charette.