MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTER ENDED MARCH 31, 2012

Management's Discussion and Analysis

The following Management's Discussion and Analysis ("MD&A") of Bird Construction Inc.'s ("the Company "or "Bird") financial condition and results of operations should be read in conjunction with the December 31, 2011 consolidated financial statements of Bird Construction Inc. and the notes thereto presented in comparison to the preceding year. This discussion contains forward looking statements, which are subject to a variety of factors that could cause actual results to differ materially from those contemplated by these statements. See "Forward Looking Information". Some of the factors that could cause results or events to differ from current expectations include, but are not limited to, the factors described under "Risks Relating to the Business" and "Risks Relating to the Shares" included in the Company's most current Annual Information Form dated March 7, 2012. This MD&A has been prepared as of May 14, 2012. Additional information about the Company is available through the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and includes the Company's Annual Information Form and other filings, including those filed by its predecessor, Bird Construction Income Fund ("the Fund").

TABLE OF CONTENTS

EXECUTIVE SUMMARY: 3
RECENT HIGHLIGHTS: 3
ADJUSTED NET INCOME MEASURE (NON-GAAP INFORMATION): 4
NON-GAAP MEASURE: 4
NATURE OF THE BUSINESS: 4
MISSION STATEMENT: 5
STRATEGY: 5
KEY PERFORMANCE DRIVERS: 6
RESULTS OF OPERATIONS: 8
FUTURE OPERATING PERFORMANCE: 9
ACCOUNTING POLICIES: 10
SUMMARY OF QUARTERLY RESULTS: 11
FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY: 12
DIVIDENDS AND DISTRIBUTIONS: 15
CAPABILITY TO DELIVER RESULTS: 15
CONTRACTUAL OBLIGATIONS: 16
OFF BALANCE SHEET ARRANGEMENTS: 16
CRITICAL ACCOUNTING ESTIMATES: 16
OUTSTANDING COMMON SHARE DATA AND STOCK EXCHANGE LISTING: 17
CONTROLS AND PROCEDURES: 17
RISKS RELATING TO THE BUSINESS: 18
TERMINOLOGY: 20
FORWARD LOOKING INFORMATION: 20

EXECUTIVE SUMMARY:

(thousands of dollars, except per share amounts)	For the three months ended March 31 2012	2011
Income Statement Data		
Revenue	$ 294,654	$ 171,155
Net income [1]	6,435	4,109
Basic and diluted earnings per share [3]	0.15	0.10
Adjusted Net Income [4]		
Adjusted net income	7,242	4,208
Adjusted net income per share	0.17	0.10
Cash Flow Data		
Cash flows from operations	(14,699)	(17,012)
Additions to property and equipment [2]	5,375	1,265
Cash dividends/distributions paid	6,955	2,108
Cash dividends declared per share [3]	0.17	0.165
	March 31, 2012	December 31, 2011
Balance Sheet Data		
Total assets	641,826	632,475
Working capital	125,711	122,962
Loans and borrowings (including current portion)	44,422	-
Shareholders' equity	161,728	162,413

[1] includes comprehensive income, hereafter referred to as net income
[2] including computer software purchases included in intangible assets
[3] adjusted for the April 2011 three-for-one stock split
[4] adjusted net income is a non-GAAP measure and does not have standardized meaning. See page 4.

HIGHLIGHTS DURING THE QUARTER:

- The Company's first quarter net income of $6.4 million compares to $4.1 million reported in the first quarter of 2011. The improvement reflects higher revenues from all sources of Bird business combined with the impact of the acquisition of H.J. O'Connell, Limited ("O'Connell") on August 31, 2011. The growth in construction revenues was particularly evident from our operations in northern Alberta, combined with construction progress on a number of institutional projects.

- In the first quarter of 2012, the Company's adjusted net income (non-GAAP measure) was $7.2 million compared with $4.2 million in 2011. The first quarter adjusted net income per share was $0.17 compared with $0.10 in 2011.

- The Company's Board of Directors approved a 9% increase in the monthly dividend from $0.055 to $0.06 per share effective with the March 2012 dividend.

- The Company secured $225.0 million of new construction contracts during the quarter including change orders on existing contracts and put in place work valued at $294.7 million. Backlog at March 31, 2012 was $1,165.9 million, compared to $1,235.6 million as at December 31, 2011.

- Subsequent to the quarter end, the Company has been awarded a number of new construction projects totalling $235 million, including a civil construction contract in the Alberta oil sands, at the Voyageur Upgrader project operated by Suncor Energy. These new construction contracts will be added to Bird's backlog in the second quarter of 2012.

ADJUSTED NET INCOME MEASURE (NON-GAAP INFORMATION):

As disclosed in note 5 to the consolidated financial statements for the year ended December 31, 2011, $6.0 million of the total purchase price attributable to the O'Connell acquisition was allocated to the value of the Backlog acquired and $8.4 million was allocated to the value attributed to customer relationships and $0.8 million of transaction costs was expensed in the period. For accounting purposes, these intangible assets are assumed to have finite useful lives and accordingly, the amounts are amortized and expensed to income over the expected useful life of the respective assets. Management believes this accounting principle implies that there is a decline in the value of the acquisition to the Company immediately. Management believes that this principle is not consistent with the economics used by it to support the O'Connell acquisition, as the earnings potential of the business is not diminished by the amortization of the intangible assets. Accordingly, adjusted net income excludes the non-cash amortization expense associated with intangible assets, including the intangible asset amortization relating to the Rideau transaction completed in 2008. Adjusted net income also excludes transaction costs incurred in 2011 associated with the O'Connell acquisition as such costs are non-recurring expenses undertaken to achieve increased long-term future earnings and cash flows and are not associated with the income generating activities undertaken during the year. Management believes that the presentation of adjusted net income and adjusted net income per share provides useful information to shareholders and potential investors as it provides increased transparency and predictive value. Management uses adjusted net income to set targets, assess performance of the Company and set the Company's dividend payout rate.

NON-GAAP MEASURE:

Adjusted net income and adjusted net income per share have no standardized meaning prescribed by GAAP and are not considered GAAP measures. Therefore, these measures may not be comparable with similar measures presented by others.

Adjusted Net Income (Non-GAAP Information)
(thousands of dollars, except per share amounts)

	For the three monthed ended March 31	
	2012	2011
Net income as reported in financial statements (GAAP)	$ 6,435	$ 4,109
Add: Amortization of intangible assets	1,094	140
Add: Associated tax effect	(287)	(41)
Adjusted net income (Non-GAAP Measure)	$ 7,242	$ 4,208
Adjusted net income per share (Non-GAAP Measure)	$ 0.17	$ 0.10

In the first quarter of 2012, adjusted net income of $7.2 million ($0.17 per share) compares to $4.2 million ($0.10 per share). In the quarter, adjusted net income adjusts net income for amortization of intangible assets relating to business combinations.

NATURE OF THE BUSINESS:

The Company operates as a general contractor with offices in St. John's, Halifax, Saint John, Wabush, Montreal, Toronto, Winnipeg, Calgary, Edmonton and Vancouver. The Company and its predecessors have been in operation for over 90 years and focuses primarily on projects in the industrial, mining, commercial and institutional sectors of the general contracting industry. The Company utilizes fixed price, design-build, unit price, cost reimbursable, guaranteed upset price and construction management contract delivery methods. The Company has secured and will continue to pursue design-build contracts with entities participating in the Public Private Partnership ("PPP") market in the institutional sector.

While Bird self-performs some elements of its projects, particularly in the industrial market sector and in conjunction with the civil construction and contract mining operations conducted by O'Connell, the majority of

the overall construction risk rests with its subcontractors. The scope of the work of each subcontractor is defined by the same contract documents that form the basis of the Company's agreement with its clients. The terms of the agreement between the Company and its clients are replicated in the agreement between the Company and its subcontractors. These "flow-down" provisions substantially mitigate the risk borne by the Company. Depending on the value of the work, the Company may require bonds or other forms of contract security from subcontractors which will help mitigate exposure to possible additional costs should a subcontractor not be able to meet their contractual obligations. Bird's primary constraint on growth is the securement of new work at reasonable margins and the availability of qualified professional staff who can be assigned to manage the projects.

MISSION STATEMENT:

The Company's mission statement is as follows:

> **Bird Construction Company turns ideas into reality through a tradition of building trust, delivering exceptional client service and creating value.**

The Company's long record of success is based on trust that has been built with clients, employees and business partners and a commitment to providing exceptional customer service. We are committed to providing a remarkable customer experience for our clients by understanding their goals for their project and then ensuring that these objectives are achieved. The Company's core values include:

Safety

- Safety is a moral obligation. Our goal is to attain a zero incident frequency.

Teamwork

- We believe that the best results are achieved when everyone works together; our staff, our clients, our consultants and our subcontractors and suppliers.

Honesty and Integrity

- We do what we say. We are always honest, truthful and conduct ourselves with integrity.

Fairness

- We treat others as we would wish to be treated.

Professionalism and Excellence

- We conduct ourselves in a manner of which we are proud; as individuals, and as representatives of our Company and industry.

Personal Growth

- We support employees in their goal to expand their skills and experience. We believe that employees are entitled to meaningful, satisfying work as they help advance the goals of the Company.

STRATEGY:

The Company will pursue organic growth by expanding its construction activities for clients in the industrial, commercial, and institutional market sectors. The Company will continue to utilize a range of contract formats and also will continue to pursue design-build projects across the entire market sectors. The design work required for these projects is typically specialized and varies widely based on the project type. Accordingly, the Company will continue to out-source design services in order to efficiently access the best expertise available. The Company's long-standing record of providing a quality product to its clients on time and standing behind that product after completion of construction has provided the opportunity for the Company to work with many clients on a repeat basis. The Company will continue to emphasize operational excellence as a means for generating new opportunities and thereby creating value.

The Company has secured and will continue to pursue design-build contracts with clients participating in the PPP market in the institutional sector. In addition to the Company's more traditional role of acting as a construction contractor to the PPP project, the Company is actively looking to acquire an equity position in PPP projects as a means to support its construction operations and generate additional construction opportunities. The Company has accumulated shareholders' equity in order to have the financial capacity to pre-qualify for PPP construction contracts and should the right opportunities arise, acquire a non-controlling ownership interest in the PPP concession, using internally-generated funds.

The Company is well positioned to capitalize on what it believes to be a resurgence of construction activities in the Alberta oil sands. In addition, the Company is also positioning itself to address the maintenance requirements of our oil sands clients. Achievement of this strategic initiative may be accomplished through an acquisition or through organic growth, or a combination of both. Through the acquisition of O'Connell, the Company expects to benefit from the many attractive opportunities that are expected to arise through the continued development of Canada's resource sector.

The Company will continue its efforts to attract and retain a highly skilled professional work force to increase its capacity to deliver increasing revenues and earnings in the future. The Company prides itself in providing a working environment for its employees based on the principles of honesty, integrity, excellence and professionalism. The Company supports employees in their goal to expand their skills and experience. The Company believes that employees are entitled to meaningful, satisfying work as they help advance the goals of the Company.

The Company emphasizes providing a safe working environment for its employees and those of its subcontractors. Our safety program is supported through ongoing safety training programs, on-site safety supervision and audits of these programs.

KEY PERFORMANCE DRIVERS:

Securing profitable construction contracts and then controlling the costs during the execution of that work are key drivers of success for the Company.

In order to achieve this, new work must be available, which is a function of the general state of the economy. In periods of strong economic growth, capital spending will generally increase and there will be more opportunities available in the construction industry. Economic conditions relative to the construction industry since the recession began were weak and, accordingly, the competition for the contracts has increased. Both construction revenues and gross margins were impacted by the general state of the economy.

The Company must be successful in securing profitable work when it is available. The construction industry is highly fragmented and, accordingly, the Company competes with a number of international, national, regional and local construction firms. One of the Company's competitive advantages rests in its long-standing reputation for delivering high quality projects that fully meet the needs of the customer.

The Company's success in securing work is also reflected in the value of Backlog, which is the total value of all contracts awarded to the Company, less the total value of work completed on these contracts as of the date of the reporting period. This includes all contracts that have been awarded to the Company whether the work has commenced or will commence. The following table shows the Company's Backlog at the end of the comparative years.

Backlog (thousands of dollars)	March 31, 2012	March 31, 2011	December 31, 2011
Backlog	$ 1,165,900	$ 1,071,400	$ 1,235,600

Once the Company has secured a potentially profitable contract, the profitability of that contract, measured by the gross profit percentage is primarily a function of management's ability to control the costs associated with that contract. The following table shows the gross margin percentage realized by the Company in the comparative periods.

Construction Gross Profit Percentage

Three months ended March 31, 2012	Three months ended March 31, 2011	Year ended December 31, 2011
7.4%	7.1%	8.2%

In the first quarter of 2012, gross margins improved modestly compared to the same period in 2011 consistent with improving market conditions. The lower gross profit percentage achieved in the first quarter of 2011 in part reflected the execution of projects that were awarded in a very competitive market due to the then recent economic recession. In the last half of 2011, the Company executed construction projects with higher embedded margins, which were more recently awarded in slightly better economic conditions. The gross margins earned in 2012 to date are lower than those earned in 2011, due to the timing and mix of construction projects in the respective periods.

Financial condition

In order to pursue and secure projects, the Company must have adequate working capital and equity retained in the business to support its surety and contract security requirements. The Company continually monitors the adequacy of its working capital and equity to satisfy contract security needs. The following shows the working capital and equity of the Company in the comparative reporting periods.

(thousands of dollars)		March 31, 2012		March 31, 2011		December 31, 2011
Working capital	$	125,711	$	135,727	$	122,962
Shareholders' equity	$	161,728	$	157,794	$	162,413

The reduction in the amount of working capital from March 31, 2011 to December 31, 2011, is primarily a result of the use of approximately $37.8 million of cash used in part to finance the acquisition of O'Connell, offset to some extent by the working capital acquired from O'Connell. The Company had accumulated working capital in excess of the working capital requirements for our existing business, and consequently, the use of cash to partially finance the O'Connell acquisition left the Company with a sufficient amount of working capital to support the business moving forward. The increase in working capital in the first quarter of 2012 represents net income adjusted for non-cash working capital items offset by the working capital used to fund monthly dividends and the acquisition of equipment not financed through debt.

Safety

The safety of the workers on our construction sites and in our offices continues to be a clear priority ensconced in our company values.

The Management Team is committed to ensuring that Bird is recognized as a construction safety performance leader and has established multi-year targets that reflect this. While our incident frequency levels remain well below the industry average, we continue to review and assess our safety program and practices to identify opportunities to improve.

Building a consistent National Safety Program and a true safety culture at Bird remains the top priority. Other priorities include improving orientation and training, developing a communication/engagement strategy to better inform, educate, and share consistent safety information and updates across the organization, and to develop a more qualitative and quantitative approach to measuring safety performance and culture at Bird. Building on recommendations arising from the *2011 Third-Party Audit* of the Safety Program, we continue to work on ensuring consistency in our incident reporting practices across the company.

During the first quarter of the year, the Company incurred one lost time incident (LTI) for an LTI frequency of 0.20.

Lost Time Incident Frequency

Three months ended March 31, 2012	Three months ended March 31, 2011	Year end December 31, 2011
0.20	0.32	0.30

RESULTS OF OPERATIONS:

THREE MONTHS ENDED MARCH 31, 2012 COMPARED WITH THREE MONTHS ENDED MARCH 31, 2011

In the first quarter of 2012, the Company generated net income of $6.4 million on construction revenue of $294.7 million compared with $4.1 million and $171.2 million, respectively, in 2011. The increase in current quarter earnings is a result of higher construction revenue and related gross profit offset to some extent by higher general and administrative expenses, higher finance costs and higher income tax expense in the quarter.

In the first quarter of 2012, the Company generated adjusted net income (non-GAAP measure) of $7.2 million or 72.1% higher than the amount recorded for the comparable period in 2011.

Construction revenue of $294.7 million in the quarter was $123.5 million or 72.2% higher than the amount recorded in 2011. The growth in construction revenue reflects higher revenues from all sources of Bird business combined with the additional revenues from O'Connell. The increase in construction revenues was particularly evident from our operations in northern Alberta, combined with construction progress on a number of institutional projects.

In the first quarter of 2012, the Company's gross profit of $21.9 million compares with $12.2 million recorded a year ago. The increase is a result of higher construction revenues combined with the impact of the operating results of O'Connell. In the first quarter of 2012, the gross profit margin was 7.4% compared with 7.1% in 2011 as a result of modestly improving market conditions combined with the timing and mix of construction projects executed in the quarters.

General and administrative expenses of $13.4 million in the quarter were $6.1 million higher than the amount recorded in 2011. The increase in costs is a result of the combined impact of higher variable compensation costs, higher amortization expense relating to intangible assets and the inclusion of O'Connell general and administrative costs.

Finance income of $0.9 million was $0.2 million lower than 2011, resulting from lower cash balances available to invest due to the impact of the use of cash to acquire O'Connell in 2011.

Finance costs of $0.8 million were $0.6 million higher than 2011, primarily due to interest costs related to the long-term debt used to finance the O'Connell acquisition.

In 2012, income tax expense of $2.3 million was $0.6 million higher than 2011, consistent with higher pre-tax earnings in 2012.

FUTURE OPERATING PERFORMANCE:

Successful financial performance of the Company is dependent upon securing profitable construction contracts and then controlling the costs associated with the execution of the work. The ability to secure contracts is a function of the general state of the economy. At March 31, 2012, the Company has in place a strong level of Backlog of $1.17 billion, which positions the Company well for the balance of 2012 and beyond. Although some portion of the total Backlog was awarded during the economic downturn, we are now beginning to secure projects with modestly higher margins, signaling the beginning of a possible return to more favourable market conditions.

The Company's recent acquisition of O'Connell will now enable the Company to more aggressively pursue heavy civil opportunities in Canada's commodity, mining and hydro power markets. The outlook for the Canadian economy, which is based on growth in these sectors, is very promising and the Company believes it can capitalize on these opportunities. In addition, Bird's financial strength will allow O'Connell to pursue larger scale projects that it could not previously undertake because of limited financial capacity. In addition, the products and services offered by Bird and O'Connell complement each other. There are opportunities for O'Connell to apply their earth moving expertise to Bird projects and for Bird to offer their building expertise to O'Connell projects. With the expertise and knowledge acquired from O'Connell, Bird is pursuing projects where the Company can self-perform earth moving services in northern Alberta.

The industrial market represented 31% of 2011 revenues (32% - 2010). The Company continues to see an increase in the level of engineering and procurement activity related to a number of projects in the Alberta oil sands and these opportunities are now beginning to come to the market but not at the pace seen before the downturn in the economy. The Company believes it is well positioned to capitalize on a resurgence of construction activity in the Alberta oil sands. There has been a positive impact on the first quarter revenues and earnings resulting from the O'Connell acquisition, and the Company expects opportunities for O'Connell to continue to come to market, which will contribute to the earning in 2012 and beyond.

The institutional sector represented 58% of 2011 revenues (61% - 2010). The institutional sector has been a significant source of revenues and earnings over the past several years due to a combination of government stimulus spending and the PPP market. All levels of government are still under pressure to address budget deficits, and consequently, we do not anticipate any significant benefit from further stimulus spending. The Company expects opportunities in the PPP market to continue to be available, although the number of projects that will come to market in 2012 is expected to decline and the competition for these projects will continue to be intense. The Company will continue to be active in the PPP sector and will be submitting proposals for additional PPP projects in 2012 and beyond. The Company is currently short listed for two significant PPP projects.

The retail and commercial sector represented 11% of 2011 revenues (7% - 2010). Within the retail and commercial sector, the Company experienced an increase in the relative significance of revenues and earnings from this market in 2011, due to an improving economy and the related positive impact on our client's capital expenditure programs. The recovery of this sector was particularly evident in the last half of 2011 and continued in the first quarter of 2012. The Company expects improvement in this sector as the economy continues to strengthen. Even with this improvement, this market is likely to remain very competitive and the impact of this progress on 2012 earnings is expected to be modest.

Backlog

The Company secured $225.0 million in new construction contracts (including change orders to existing contracts). The Company's Backlog declined to $1,165.9 million at March 31, 2012 compared to $1,235.6 million as at December 31, 2011. With respect to the current Backlog, $844.0 million is expected to be put in place during 2012, leaving $321.9 million to carry forward to 2013 and beyond. The following table outlines the changes in the amount of the Company's Backlog throughout the current fiscal period and with a comparison to the prior year.

Backlog
(thousands of dollars)

December 31, 2010	$	1,229.6
Securements and Change Orders in 2011		975.2
Acquired with O'Connell		152.3
Cancellations		(147.0)
Realized in construction revenues in 2011		(974.5)
December 31, 2011	$	1,235.6
Securements and Change Orders in 2011		225.0
Realized in construction revenues - Q1 2012		(294.7)
March 31, 2012	$	1,165.9

In addition to Backlog, at March 31, 2012, the value of uncompleted construction management contract work, for which the Company acts as an agent for the customer, is $105.9 million, compared with $136.4 million at December 31, 2011.

ACCOUNTING POLICIES:

The Company's significant accounting policies are outlined in the notes to the March 31, 2012 Unaudited Condensed Consolidated Interim Financial Statements.

Future accounting changes
IFRS 9 *Financial Instruments* was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 *Financial Instruments – Recognition and Measurement* for debt instruments with a new mixed measurement model having only two categories: amortized costs and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss, or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39 *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. In January 2012, the effective date was revised to January 1, 2015 with earlier application permitted.

In May 2011, the IASB issued IFRS 10 *Consolidated Financial Statements* which is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. IFRS 10 replaces the guidance in IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation – Special Purpose Entities*. IAS 27 (2008) survives as IAS 27 (2011) *Separate Financial Statements* only to carry forward the existing accounting requirements for separate financial statements. IFRS 10 provides a single model to be applied in the control analysis for all investees, including entities that currently are SPEs in the scope of SIC-12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 (2008). The Company intends to adopt IFRS 10 in its financial statements for the annual period beginning on January 1, 2013. The extent of the impact of adoption of IFRS 10 has not yet been determined.

In May 2011, the IASB issued IFRS 11 *Joint Arrangements*, which is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. If an entity applies this Standard earlier, it shall also apply IFRS 10, IFRS 12, IAS 27 (2011) and IAS 28 (2011) at the same time. IFRS 11 replaces the guidance in IAS 31 *Interests in Joint Ventures*. Under IFRS 11, joint arrangements are classified as either joint operations or joint ventures. IFRS 11 essentially carves out of previous jointly controlled entities, those arrangements which, although structured through a separate vehicle, such separation is ineffective and the parties to the arrangement have rights to the assets and obligations for the liabilities and are accounted for as joint

operations in a fashion consistent with jointly controlled assets/operations under IAS 31. In addition, under IFRS 11, there is no longer a free choice of equity accounting or proportionate consolidation for joint ventures; the equity method is now required. Upon application of IFRS 11, entities which had previously accounted for joint ventures using proportionate consolidation shall collapse the proportionately consolidated net asset value (including any allocation of goodwill) into a single investment balance at the beginning of the earliest period presented. The investment's opening balance is tested for impairment in accordance with IAS 28 (2011) and IAS 36 *Impairment of Assets*. Any impairment losses are recognized as an adjustment to opening retained earnings at the beginning of the earliest period presented. The Company intends to adopt IFRS 11 in its financial statements for the annual period beginning on January 1, 2013. The extent of the impact of adoption of IFRS 11 has not yet been determined.

In May 2011, the IASB issued IFRS 12 *Disclosure of Interests in Other Entities*, which is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. If an entity applies this Standard earlier, it need not apply IFRS 10, IFRS 11, IAS 27 (2011) and IAS 28 (2011) at the same time. IFRS 12 contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities. Interests are widely defined as contractual and non-contractual involvement that exposes an entity to variability of returns from the performance of the other entity. The required disclosures aim to provide information in order to enable users to evaluate the nature of, and the risks associated with, an entity's interest in other entities, and the effects of those interests on the entity's financial position, financial performance and cash flows. The Company intends to adopt IFRS 12 in its financial statements for the annual period beginning on January 1, 2013. The Company does not expect IFRS 12 to have a material impact on the financial statements.

In May 2011, the IASB published IFRS 13 *Fair Value Measurement* which is effective prospectively for annual periods beginning on or after January 1, 2013. The disclosure requirements of IFRS 13 need not be applied in comparative information for periods before initial application. IFRS 13 replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. The standard also establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements, and for recurring fair value measurements that use significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income. IFRS 13 explains 'how' to measure fair value when it is required or permitted by other IFRSs. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The Company intends to adopt IFRS 13 prospectively in its financial statements for the annual period beginning on January 1, 2013. The Company does not expect IFRS 13 to have a material impact on the financial statements.

SUMMARY OF QUARTERLY RESULTS:

The table below summarizes the results for the eight most recent quarters (in thousands of dollars, except per share amounts). Although the Company experiences some seasonality in its business, variations in net income from quarter to quarter primarily reflect the differences in the profitability of the contracts administered in the respective quarters. Contracts typically extend over several quarters and sometimes over several years. For purposes of quarterly financial reporting, the Company must estimate the cost required to complete each contract to assess the overall profitability of the contract and the amount of gross profit to recognize for the quarter. Such estimating includes contingencies to allow for certain known and unknown risks. The magnitude of the contingencies will depend on the nature and complexity of the work to be performed. As the contract progresses and remaining costs to be incurred and risk exposures become more certain, contingencies will typically decline, although certain risks will remain until the contract has been completed, and even beyond. As a result, earnings may fluctuate significantly from quarter to quarter, depending on whether large and/or complex contracts are completed or nearing completion during the quarter, or have been completed in immediately prior quarters.

There are also a number of other factors that can affect the Company's revenues and profit from quarter to quarter. These include the timing of contract awards, the value of subcontractor billings and project scheduling. Management does not believe that any individual factor is responsible for changes in revenue from quarter to quarter.

(thousands of dollars)	2010			2011				2012
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue	203,866	231,179	225,360	171,155	192,752	278,561	332,002	294,654
Net income	14,983	8,143	9,238	4,109	3,013	9,549	12,924	6,435
Earnings per share (1)	0.36	0.19	0.22	0.10	0.07	0.23	0.30	0.15

(1) Adjusted for the April 2011 three-for-one stock split

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY:

The Company believes that its strong balance sheet, including equity of $161.7 million, $125.7 million of working capital, and long-term debt of $44.4 million, allows it the financial capacity to support all of our contract security requirements, including the ability to secure performance, labour and material bonds, issue letters of credit to support PPP contract requirements and provide parent company performance guarantees. The Company expects to utilize cash from operations, existing working capital, including cash and cash equivalent balances, and draws on its credit facilities to fund liabilities as they become due, finance future capital expenditures and pay dividends on shares.

The following table outlines the amount of Shareholders' equity, working capital, long-term debt and Backlog at March 31, 2012, March 31, 2011 and December 31, 2011.

Financial Condition table (thousands of dollars)	**March 31, 2012**	**March 31, 2011**	**December 31, 2011**
Shareholders' equity	$ 161,728	$ 157,794	$ 162,413
Working capital	$ 125,711	$ 135,727	$ 122,962
Long-term debt	$ 44,422	$ -	43,495
Backlog	$ 1,165,900	$ 1,071,400	1,235,600

The Company's participation in PPP infrastructure development programs has required the Company to issue letters of credit as performance security related to these construction projects. To accommodate the issuance of letters of credit, the Company has lines of credit of $131.5 million. The letters of credit are supported by the hypothecation of certain financial instruments owned by the Company.

In conjunction with the acquisition of O'Connell, the Company initially secured total long-term debt financing of $45.6 million, which combined with the use of $37.8 million of cash and the assumption of a contingent consideration obligation valued at $2.1 million was used to finance the transaction. The long-term debt secured was comprised of five-year term debt of $30.6 million, one-half of which was financed using fixed interest rates and the remainder using variable interest rates. The debt was secured by the equipment owned by O'Connell. In addition, a vendor take-back of $15.0 million was used in part to finance the total acquisition price. In addition, the Company has entered into a number of capital leases valued at $0.5 million at March 31, 2012. During the quarter, the Company made $1.6 million of principal repayments and issued $2.5 million of new debt to finance purchases of heavy equipment to support the operations of O'Connell. The following table provides details of loans as at March 31, 2012 and principal repayments due over the next five years, excluding the amortization of debt financing costs of $0.4 million.

Debt	Amount	Year 1	Year 2	Year 3	Year 4	Year 5
(millions of dollars)						
Loans and borrowings	$ 44.4	$ 10.5	$ 10.6	$ 10.7	$ 10.6	$ 2.0

Credit Facilities

The Company has a number of credit facilities available to it to support the issuance of letters of credit, finance future capital expenditures and finance the day-to-day operations of the business.

Issuance of Letters of Credit

The Company has available $131.5 million of demand facilities used to support the issuance of letters of credit. All letters of credit issued under these facilities are supported by the pledge of Company owned financial instruments. Letters of credit are typically issued to support the Company's performance obligations relating to PPP construction projects. The following table outlines the amount of the credit facilities, the amount of issued letters of credit and the amount of collateral pledged in support of the outstanding letters of credit.

(thousands of dollars)	March 31, 2012	March 31, 2011	December 31, 2011
Operating line of credit	$ 131,500	$ 131,500	$ 131,500
Letters of credit issued	$ 43,176	$ 43,389	$ 42,750
Collateral pledged to support letters of credit	$ 53,229	$ 51,581	$ 52,685

Operating Lines of Credit

(a) Three-year committed revolving line of credit:
On August 31, 2011, the Company obtained a three-year committed unsecured revolving line of credit for $30.0 million with a Canadian chartered bank. This facility may be used in the normal course of business for general working capital purposes, and to fund future capital expenditures and qualifying permitted acquisitions. At March 31, 2012, no amounts were outstanding under this facility. This credit facility includes standard default and covenant provisions whereby accelerated repayment may be required if the Company were to violate certain financial covenants.

(b) Demand revolving line of credit:
On August 31, 2011, the Company established with a Canadian chartered bank a revolving demand credit facility of up to $15.0 million during the period September 1 to January 31 and $7.5 million during the period February 1 to August 31. Borrowings under this facility are secured by a first charge against the accounts receivable of O'Connell. This credit facility is used for the purpose of financing general working capital requirements. At March 31, 2012, the Company has drawn $5.2 million under this facility. This credit facility includes standard default and covenant provisions whereby accelerated repayment may be required if the subsidiary were to violate certain financial covenants.

At March 31, 2012, the Company was in compliance with all debt covenants relating to its operating lines of credit. The Company expects to continue to comply with these provisions.

Equipment Financing

(a) In conjunction with the acquisition of O'Connell, the Company established an equipment financing facility with a Canadian chartered bank for $10.0 million for the purpose of financing future equipment purchases. At March 31, 2012, the Company has drawn $2.4 million under this facility. This credit facility is committed for one year and allows the Company access to term financing for up to five years with a maximum amortization period of 84 months. Interest can be set using either a fixed or variable rate option. Any draws under this facility will be secured by equipment purchased with the proceeds from the loan.

(b) In addition, the Company has established an operating lease line of credit for $42.5 million with the financing arm of a major heavy equipment supplier to finance operating equipment leases. Draws under this facility are recognized as operating leases for accounting purposes. At March 31, 2012, the Company has drawn $26.8 million under this facility. The Company's total lease commitments are outlined under Contractual Obligations.

Liquidity

A manageable amount of long-term debt used to finance the acquisition of O'Connell, a high proportion of working capital represented by cash and other liquid securities and access to a number of unutilized credit facilities will enable the Company to meet its obligations as they become due. The amount of equity retained in the business supports the Company's strategic objectives including active participation in the PPP infrastructure market, while also providing the Company with sufficient financial capacity to withstand a downturn in the construction industry should it occur.

Financial Position

The following table provides an overview of the Company's financial position for the period indicated.

	March 31, 2012	December 31, 2011
Financial Position Data		
Cash and cash equivalents	$ 148,169	$ 173,402
Investment in marketable securities	16,043	16,752
Working capital	125,711	122,962
Long-term debt	44,422	43,495
Shareholders' equity	161,728	162,413

As a component of working capital, the Company maintains significant balances of cash and cash equivalents and investments in liquid securities. At March 31, 2012, these balances consisted of $148.2 million of cash and cash equivalents and $16.0 million of liquid securities for a total of $164.2 million. The $164.2 million is comprised of the Company's $125.7 million of working capital plus a working cash balance of $36.0 million, which offsets a corresponding non-cash net current liability position and $2.5 million of cash held to finance the current dividend payable. These components are summarized in the following table for March 31, 2012 and March 31, 2011.

Working Capital Components (thousands of dollars)	March 31, 2012	March 31, 2011
Investment in marketable securities (bonds and preferred shares)	$ 16,043	$ 25,041
Cash and cash equivalents held for working capital	109,668	110,686
	125,711	135,727
Cash held for dividends/distributions payable	2,529	6,955
Dividends/distributions payable	(2,529)	(6,955)
Working cash	35,972	83,820
Non-cash net current liabilities	(35,972)	(83,820)
Working capital	$ 125,711	$ 135,727

The Company's non-cash net current liability position fluctuates significantly in the normal course of business from period to period, primarily due to the timing of differences between the settlement of payables due to subcontractors and suppliers and billings and collection of accounts receivable, from clients and also the timing of settlement of income taxes payable. The working cash balance absorbs these fluctuations with no net impact of the Company's net working capital position or ability to access surety support.

Cash Flow Data

The following table provides an overview of cash flows during the years indicated:

(thousands of dollars)	Three months ended March 31, 2012	2011
Cash Flow Data		
Operating activities	$ (14,699)	$ (17,012)
Investing activities	(4,506)	3,140
Financing activities	(6,028)	(2,108)
Increase/decrease in cash and cash equivalents	$ (25,233)	$ (15,980)

Operating Activities
During the three months ended March 31, 2012, the Company used cash in operating activities of $14.7 million. This was comprised of $15.8 million of cash provided by earnings net of non-cash charges to earnings and $30.5 million of cash used to fund an increase in the Company's non-cash working capital position, which represented a normal course fluctuation in the Company's net current liability position. In some periods, this fluctuation will be a use of cash, as in the current period, but in other periods, it will be a source of cash, tending to balance out over time and having no net impact on the Company's working capital.

Investing Activities
In the first quarter of 2012, the Company used $4.5 million of cash in investing activities; while in 2011, investing activities generated cash of $3.1 million. In 2012, the Company used $5.3 million to purchase property and equipment compared with $1.0 million in 2011. The increase in capital asset spending relates primarily to purchases of heavy equipment to support the operations of O'Connell. Partially offsetting the use of cash in 2012 was the net receipt of cash of approximately $0.8 million resulting from the redemption of preferred share investments. In 2011, investing activity was a source of cash because the Company received proceeds from corporate bonds that matured during the quarter.

Financing Activities
In the first quarter of 2012, $6.0 million of cash was used in financing activities compared to a use of cash of $2.1 million in 2011 to pay unitholder distributions declared in December 2010. In 2012, the Company paid monthly dividends totaling $7.0 million. In 2012, the Company received cash from the issuance of long-term debt of $2.5 million, used primarily to finance the purchases of heavy equipment to support the operations of O'Connell. Approximately, $1.6 million of cash was used to repay long-term debt during the period.

DIVIDENDS AND DISTRIBUTIONS:

The Company intends to declare monthly dividends of $0.06 per common share payable on or about the 20th of the month following the month in which the dividend was declared. The following table outlines the historical dividend history.

Period	Dividend
January 1, 2011 to March 31, 2011	$0.165
April 1, 2011 to June 30, 2011	$0.165
July 1, 2011 to September 30, 2011	$0.165
October 1, 2011 to December 31, 2011	$0.165
January 1, 2012 to March 31, 2012	$0.170
April 1, 2012 to June 30, 2012	$0.180

Reflects the April 2011 three-for-one stock split.

CAPABILITY TO DELIVER RESULTS:

Productive capacity relates to the financial and non-financial resources available to the Company to execute its strategy and achieve planned results. From a financial perspective, the Company believes it has sufficient working capital and access to its operating lines of credit to execute its current operational and growth objectives. The belief is fully explained in sections of this MD&A dealing with financial condition and liquidity.

In addition to financial capacity, the success of the Company is very much dependent upon the management and leadership skills of senior management. The Company prides itself in maintaining a stable workforce. As well, on an annual basis, high-performing candidates are identified for training and progression into more senior critical positions within the Company. The Company's performance management system emphasizes the development of leadership skills. In addition, the Company sponsors internal and external training programs and has more recently launched a leadership program to provide a forum for high potential candidates to develop their leadership skills.

CONTRACTUAL OBLIGATIONS:

At March 31, 2012, the Company has future contractual obligations totaling $376.8 million. Obligations for accounts payable, finance and operating annual lease payment obligations and for principal repayment obligations under long-term debt, over the next five years are:

(thousands of dollars)		Accounts Payable	Finance Leases	Operating Leases	Long Term Debt	Total
2012	$	301,207	128	5,729	8,797	315,861
2013		8,090	128	7,458	10,581	26,257
2014		2,791	199	4,792	10,702	18,484
2015		-	-	1,488	10,827	12,315
2016		-	-	372	3,448	3,820
Thereafter		-	-	13	-	13
	$	312,088	455	19,852	44,355	376,750

OFF BALANCE SHEET ARRANGEMENTS:

The Company has operating lease obligations described under Contractual Obligations noted above and surety lien bonds issued on behalf of the Company totaling $9.5 million at March 31, 2012.

CRITICAL ACCOUNTING ESTIMATES:

The accounting principles used by the Company to account for its construction contracts involve the use of estimates.

Construction revenue, construction costs, deferred contract revenue and costs and estimated earnings in excess of billings include amounts that are derived using the percentage of completion basis. Percentage of completion is calculated based on the costs incurred on each construction contract to the end of the respective accounting period divided by the total estimated costs. Revenue from unit price contracts conducted in the heavy construction, civil construction and contract mining construction sectors is based on billable work completed. Contract costs in the heavy construction, civil construction and contract surface mining construction sectors are adjusted so the gross profit recognized in the period is based on the percentage of revenue realized relative to total contract value. Any excess of progress billings over earned revenue determined using the percentage of completion method are carried as deferred revenue in the consolidated financial statements. Any excess of cost and estimated earnings over progress billings on construction contracts are carried as costs and estimated earnings in excess of billings in the consolidated financial statements.

Revenue and estimated costs to complete for each contract are updated and reviewed by management at least once each financial reporting period. In making such estimates, judgments are required to evaluate issues related to scheduling, material costs, labour costs, labour productivity, changes in contract scope and subcontractor costs. Due to the nature of construction contracts, estimates may change significantly from one accounting period to the next.

Construction contracts typically extend over several quarters and sometimes over several years. For purposes of quarterly financial reporting, the Company must estimate the cost required to complete each contract to assess the amount of income to be recognized for the quarter. Such estimating includes contingencies to allow for certain known and unknown risks. The magnitude of the contingencies will depend on the nature and complexity of the work to be performed. As the contract progresses and the remaining costs to be incurred and risk exposures become more certain, contingencies will typically decline although certain risks will remain until the contract has been completed, and even beyond. As a result of this, earnings may fluctuate significantly from quarter to quarter, depending on whether large and/or complex contracts are completing or nearing completion during the quarter, or have been completed in immediately prior quarters.

The value of many construction contracts increases over the duration of the construction period due to the issue of change orders to modify the original contract scope of work or conditions. Construction work related to a change order may proceed, and costs may be incurred, in advance of final determination of the value of the change order. Revenue on change orders is recognized by the Company to the extent that management estimates that realization is probable. As many change orders are settled at the end of the construction project, significant increases or decreases in revenue and income may arise during any particular accounting period.

Allowances for accounts receivable may require an assessment and estimate of the credit-worthiness of the client and the timing of collection. Furthermore, provisions for litigation involve the use of estimates, as determined by management. Amounts arising from negotiated settlements or court judgments may vary significantly from management's estimate. Similarly, the estimate for warranty claims may differ significantly from actual experience. These adjustments will also impact on the amount of profit recognized in a reporting period.

The acquisition of O'Connell required management to make judgments and estimates regarding the fair value of the identifiable assets and liabilities acquired. The estimated fair value of property and equipment and the intangible assets relating to Backlog, customer relationships and trade names were based on a forecast of future cash flows attributable to the assets, discounted to the present value using a market based cost of capital.

OUTSTANDING COMMON SHARE DATA AND STOCK EXCHANGE LISTING:

The Company is authorized to issue an unlimited number of common shares. The Company has a total of 42,153,846 common shares outstanding at March 31, 2012 and December 31, 2011.

On March 3, 2011, the Board of Directors approved a three-for-one stock split accomplished by way of a stock dividend. Each shareholder of record on April 14, 2011 received two common shares for each common share held on the record date. The stock dividend was paid on April 22, 2011. Accordingly, on May 14, 2012, the Company has 42,153,846 outstanding common shares.

Under the terms of the Company's Stock Option Plan, on March 7, 2012, the Company's Board of Directors approved the award of 625,000 stock options with a grant date of March 15, 2012 to eligible Company employees. The total number of stock options is exercisable in equal amounts on the first through fourth anniversary dates from the grant date. Details of the Company's stock options outstanding are outlined in the notes to the March 31, 2012 Unaudited Condensed Consolidated Interim Financial Statements.

The common shares are listed on the Toronto Stock Exchange ("TSX") under the trading symbol BDT.

CONTROLS AND PROCEDURES:

Disclosure Controls and Procedures
Based on their evaluations as of March 31, 2012, the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") have concluded that the Company's disclosure controls and procedures are effective in providing reasonable assurance that information relating to the Company which is required to be disclosed in reports filed under provincial and territorial securities legislation is accumulated, summarized and communicated to the Company's senior management, including the CEO and the CFO of the Company, as appropriate, to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting
The Company's management is responsible for designing and maintaining adequate internal control over financial reporting for the Company. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

As of March 31, 2012, under the supervision of and with the participation of management, including the CEO and CFO, internal controls over financial reporting, including the controls of O'Connell, have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with IFRS.

There have been no material changes in the Company's internal control over financial reporting during the three months ended March 31, 2012 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISKS RELATING TO THE BUSINESS:

The following discussion addresses the more significant risk factors relating to the business. For a detailed discussion of all risk factors relating to the business, refer to the Company's most recently filed Annual Information Form filed on March 7, 2012, which is available through the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Economy and Cyclicality
Activity within the construction industry is tied to the general state of the economy. Thus, in periods of strong economic growth, capital spending will generally increase and there will be more and better quality opportunities available within the construction industry. Bird attempts to insulate itself in various ways from the effects of negative economic conditions. However, there is no assurance that these methods will be effective in insulating Bird from a downturn in the economy. Furthermore, as a result of increased demand in certain regions or industry sectors, the Company has in the past earned above-average margins on particular projects. There is no assurance that above-average margins that may have been generated on historical contracts can be generated in the future. For more than 10 years, the Company has increased its focus on industrial projects in oil sands of northern Alberta. O'Connell operates in the heavy construction, civil construction and contract surface mining construction sectors of the general contracting industry. Investment decisions by our clients are based on the long-term views of the economic viability of their current and future projects. The economic viability of the projects is dependent upon the client's view of the long-term price of commodities which is influenced by many factors. If our clients' outlook for commodity prices is not favourable, this may delay, reduce or cancel capital project spending. A decrease in construction activity in this sector could have an adverse effect on the Company's financial performance and results of operations. Furthermore, most of Bird's contracts are and will be relatively short-term (less than two years, generally). As such, any prolonged downturn in the economy could impact Bird's ability to generate new business or maintain a Backlog of contracts with acceptable margins to sustain Bird through such downturns.

Competitive Factors
Bird competes with many international, national, regional and local construction firms, who often enjoy advantages in a particular market that Bird does not have or they may have more experience or a better relationship with a particular client. On any given contract bid or negotiation, Bird will attempt to assess the level of competitive pressure it may face and it will attempt to neutralize or overcome any perceived advantage that its competitors have. Depending on this assessment, Bird will decide whether or not to pursue a contract. In addition, this assessment bears directly on decisions that Bird will make including what level of profit can be incorporated in its contract price and what personnel should be assigned to the contract. The accuracy of this assessment and the ability of Bird to respond to competitive factors affect Bird's success in securing new contracts and its profitability on contracts that it does secure.

Ability to Secure Work
Bird generally secures new contracts either through a competitive bid process or through negotiation. Awards in both the public and private sectors are generally based upon price, but are also influenced by factors such as perceived level of services offered, construction schedule, project personnel, the make-up of the subcontractor team, prior experience with the prospective client and the type of project and the ability to provide bonds and other contract security. In order to be afforded an opportunity to bid for projects in the PPP market and other large projects, a strong balance sheet measured in terms of an adequate level of working capital is typically required. Bird operates in markets that are highly competitive and there is constant pressure to find and maintain a competitive advantage. In the current economic climate, competition is more intense than experienced prior to the downturn in late 2008. This presents significant challenges for the

Company. If those competitive challenges are not met, Bird's client base could be eroded or it could experience an overall reduction in profits. In the current economic climate combined with a very competitive market, Bird has experienced a decrease in activity from private clients, as the decisions of these clients to proceed with construction projects are largely driven by economic factors. A decline in demand for Bird's services from the private sector could have an adverse impact on the Company if that business could not be replaced within the public sector. A portion of Bird's construction activity relates to government-funded institutional projects. All levels of government are now expected to come under pressure to address budget deficits and it is expected that governments may reduce their capital spending programs. Any reduction in demand for Bird's services by the public sector, whether as a result of funding constraints, changing political priorities or delays in projects caused by elections, could have an adverse impact on the Company if that business could not be replaced within the private sector. Government-funded projects also typically have long and sometimes unpredictable lead times associated with government review and approval. The time delays associated with this process can constitute a risk to general contractors pursuing these projects. Certain government-funded projects, particularly PPP projects, may also require significant bid costs which can only be recovered if Bird is the successful bidder. A number of governments in Canada have procured a significant value of projects under a PPP contract format, which is an attractive market for the Company. A reduction in the popularity of this procurement method or difficulties in obtaining financing for these projects would have negative consequences for Bird.

Estimating Costs/Assessing Contract Risks

The contract price for a significant number of contracts performed by Bird is based, in part, on cost estimates that are subject to a number of assumptions. Erroneous assumptions can result in an incorrect assessment of risks associated with the contract, or its estimates of the project costs may be in error resulting in a loss or lower-than-anticipated profit. All significant cost estimates are reviewed by senior management prior to submission.

Performance of Subcontractors

Successful completion of a contract by Bird depends, in large part, on the satisfactory performance of subcontractors who are engaged to complete the various components of the work. If subcontractors fail to satisfactorily perform their portion of the work, Bird may be required to engage alternate subcontractors to do the work and may incur additional costs. This can result in reduced profits, or, in some cases, significant losses on the contract and could also damage the reputation of Bird. In addition, the ability of Bird to bid for and successfully complete projects is, in part, dependent on the availability of qualified subcontractors and trades people. Depending on the value of the subcontract, Bird may require surety bonds or other security from the subcontractor in order to mitigate this risk. Bird closely monitors all subcontractor and trades person capacity concerns in order to mitigate any effect on operations. A significant shortage of qualified subcontractors and trades people could have a material impact on Bird's financial condition and results of operations.

Maintaining Safe Work Sites

In spite of the best efforts of Bird to minimize the risk of incidents, they can happen. When they do, the impact on Bird can be significant. Bird's success as a general contractor is highly dependent on its ability to keep its construction worksites and offices safe. Failure to do so can have serious impact on the personal safety of its employees and others. In addition, it can expose Bird to fines, regulatory sanction or even criminal prosecution. Bird's safety record and worksite safety practices also have a direct bearing on its ability to secure work, particularly in the industrial sector. Certain clients will not engage particular contractors to perform their work if their safety practices do not conform to predetermined standards or if the general contractor has an unacceptably high incidence of safety infractions or incidents. Bird adheres to very rigorous safety policies and procedures which are continually reinforced on its work sites and offices. Management is not aware of any pending health and safety legislation or prior incidents which would be likely to have a material impact on any of Bird's operations, capital expenditure requirements, or competitive position. Nevertheless, there can be no guarantee with respect to the impact of future legislation or incidents.

Ability to Hire and Retain Qualified and Capable Personnel

The success of Bird is highly influenced by the efforts of key members of management, including its executive officers and district managers. The loss of the services of any of Bird's key management personnel could negatively impact Bird. The future success of Bird also depends heavily on its ability to attract, retain and develop high-performing personnel in all areas of its operations. Most firms throughout the construction industry face this challenge, and accordingly, competition for professional staff is intense. If Bird ceases to be

seen by current and prospective employees as a highly attractive place to work, it could experience difficulty in hiring and retaining the right people. This could have an adverse effect on current operations of Bird and would limit its prospects and impair its future success. Bird adheres to a performance management process whereby objectives are established for every employee for the next year and a performance review is completed at least on an annual basis. Bird sponsors both inside and outside training programs to allow its employees the opportunity to advance their career at Bird. Management also updates its succession plan regularly to ensure a continuous supply of qualified candidates is available to perform more senior level positions within the Company.

TERMINOLOGY:

Throughout this report, management uses the following terms not found in GAAP Standards and which do not have a standardized meaning and therefore require definition:

- **"Gross Profit Percentage"** is the percentage derived by dividing gross profit by construction revenue. Gross profit is calculated by subtracting construction costs from construction revenue.
- **"Backlog"** (also referred to in the construction industry as "work on hand") is the total value of all contracts awarded to the Company, less the total value of work completed on these contracts as of the date of the most recently completed quarter. This includes all contracts that have been awarded to the Company whether the work has commenced or will commence in the normal course.
- **“Adjusted Net Income Measure (Non-GAAP Information)”** adjusts net income for the amount of amortization expense related to intangible assets resulting from business combinations and transaction expenses relating to the combinations which are expensed in the period incurred.
- **“Lost Time Incident Frequency”** is the number of lost time incidents recorded per 200,000 man-hours of work by Bird employees.

FORWARD LOOKING INFORMATION:

Certain statements included herein which express management's expectations or estimates of future performance may constitute "forward-looking statements". The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", and similar expressions identify forward-looking statements.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. In particular, this MD&A includes many such forward-looking statements and the Company cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the Company to be materially different from the Company’s estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. Risks that may impact the Company's future results, performance or achievements include those described under "Risks Relating to the Business: in this MD&A and in the Company's Annual Information Form dated March 7, 2012 filed and available on SEDAR. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise.