BIRD CONSTRUCTION INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
SIX MONTH PERIOD ENDED JUNE 30, 2015

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, 2014 consolidated financial statements of Bird Construction Inc. 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 12, 2015. This MD&A has been prepared as of August 12, 2015. 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.

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EXECUTIVE SUMMARY

(thousands of dollars, except per share amounts)	For the six months ended June 30, 2015	2014
Income Statement Data		
Revenue	**$ 641,485**	$ 603,509
Net income [1]	**15,542**	10,930
Basic and diluted earnings per share	**0.37**	0.26
Cash Flow Data		
Cash flows from operations before changes in non-cash working capital	**29,756**	22,073
Cash flows from operations	**(15,206)**	(28,351)
Additions to property and equipment [2]	**(2,648)**	(11,176)
Cash dividends paid	**(16,148)**	(16,148)
Cash dividends declared per share	**0.38**	0.38

	June 30, 2015	December 31, 2014
Balance Sheet Data		
Total assets	**635,313**	637,283
Working capital	**105,742**	104,027
Loans and borrowings (including current portion)	**25,876**	28,203
Shareholders' equity	**181,011**	181,587

[1] includes comprehensive income, hereafter referred to as net income

[2] computer software purchases included in intangible assets

RECENT HIGHLIGHTS

- In the first half of 2015, the Company generated net income of $15.5 million on construction revenue of $641.5 million compared with $10.9 million and $603.5 million respectively in 2014. The increase in 2015 earnings is primarily attributable to an increase in construction revenue and a higher gross profit percentage on construction revenue combined with a small reduction in general and administrative expenses. Offsetting these factors, to some extent, were higher net finance expense and a higher incidence of income tax expense. Continued weakness in the resource sectors of northern Alberta and northeastern Canada could limit the Company's ability to achieve renewed earnings growth after 2015.

- In the second quarter of 2015, the Company reported net income of $10.8 million on construction revenue of $335.3 million compared to $10.0 million and $328.8 million, respectively in 2014.

- In the first half of 2015, the Company secured $1,000.9 million of new contract awards which contributed to a record level of Backlog of $1,509.1 million at June 30, 2015, compared with $1,149.7 million at December 31, 2014.

- In the second quarter of 2015, the Company, as part of the Chinook Resources Management Group consortium executed a construction contract to design and build a composting facility for The City of Calgary. The design and construction of the facility will be performed using a joint venture in which Bird will have a 50% financial interest.

- During the first quarter of 2015, the Company, as part of a joint venture, executed a design, build contract with Plenary Infrastructure ERMF GP Inc. to design and construct the East Rail Maintenance Facility located in Whitby, Ontario for GO Transit.

- During the second quarter of 2015, the Company, as part of the Joint Use Mutual Partnership consortium, was named preferred proponent to design, build, finance and maintain 18 elementary schools on nine joint use sites in the Province of Saskatchewan. The Company will have a 70% financial interest in the consortium responsible for the design and building of the facilities. In addition to its role as design builder, Bird acquired a 20% equity interest in the concession responsible for the design, build, finance and maintenance of the facility. When the consortium achieves financial close and is formally awarded the contract, our portion of the project's construction value will be added to the Company's Backlog.

- The Company's Board of Directors declared monthly dividends of $0.0633 per share for August, September and October, 2015.

NATURE OF THE BUSINESS

The Company operates as a general contractor in the Canadian construction market with offices in: St. John's, Halifax, Saint John, Wabush, Montreal, Toronto, Winnipeg, Calgary, Edmonton, St. Albert and Vancouver. The Company and its predecessors have been in operation for 95 years. The Company focuses primarily on projects in the industrial, commercial and institutional sectors of the general contracting industry. Within the industrial sector, Bird constructs industrial buildings and performs civil construction operations including site preparation, concrete foundations, underground piping and earthwork for clients primarily operating in the oil and gas and mining businesses. Within the commercial sector, Bird's operations include the construction and renovation of shopping malls, big box stores, office buildings and selected high rise condominiums and apartments. Within the institutional sector, Bird constructs hospitals, schools, prisons, courthouses, government buildings and retirement facilities. In all sectors, Bird contracts with its clients using a combination of fixed price, design-build, unit price, cost reimbursable, guaranteed upset price and construction management contract delivery methods.

While Bird self-performs some elements of its projects, particularly in the industrial market sector and in conjunction with its civil construction and contract mining operations, a significant portion of the overall construction risk rests with Bird's subcontractors. The scope of work of each subcontractor is generally defined by the same contract documents that form the basis of the Company's agreements with its clients. The terms of the agreements between the Company and its clients are generally replicated in the agreements 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 including enrolling our subcontractors in Bird's subcontractor default insurance program which will mitigate exposure to possible additional costs should a contractor not be able to meet their contractual obligations. Bird's primary constraint on growth is the ability to secure new work at reasonable margins and the availability of qualified professional staff who can be assigned to manage the projects.

STRATEGY

Overall, Bird's strategic objectives are to increase Company profitability to provide attractive and sustainable returns for our shareholders; a commitment to provide superior value-added services to our clients; and providing meaningful and safe working environments for our employees and those of our partners.

The fundamental elements of Bird's strategy include:

HEALTH AND SAFETY

As befitting of a Company that started out as a family business, critical to Bird's successful growth is our continued commitment to the health and safety of the employees who work on our sites and in our offices every day. This is a critical component of our operational strategy, a core company value and a key corporate social responsibility.

Our commitment goes beyond this; at Bird, we understand that a corporate commitment to safety also pays tremendous dividends in both business and human capital. In addition to reducing related health and safety costs, reducing property damage and improving loss management outcomes, a robust safety program contributes to employees and other stakeholders to feel more valued and engaged. This, in turn, produces a stronger commitment to product and service quality, improved productivity and client satisfaction.

From planning to execution, effective communication, documentation, orientation, training, and ongoing review and analysis of our activities and processes is vigorously undertaken to ensure continuous improvement in all facets of our operations. This will better prepare and support all of our workers and managers to serve as safety leaders in the construction industry.

In a highly competitive business environment, resourcing remains one of the greatest challenges facing the construction industry. Bird's commitment to the health and safety of our employees and other partners enhances both employee recruitment and retention and will serve to provide a strategic competitive advantage, allowing us to continue to successfully pursue and execute challenging work.

INCREASING PROFITABILITY

Bird will continue to pursue organic growth by emphasizing its long-standing record of providing a quality product and service to our clients and thereby continue to secure new work with many of our clients on a repeat basis. Bird will continue to emphasize operational excellence through strict and disciplined adherence to the many risk management and project control policies and practices to ensure delivery of the financial returns expected from our construction projects. The Company will also continue to show a preference for design-build construction contracts where our proven track record provides Bird with a source of competitive advantage in the construction market; however, Bird will continue to offer clients other contract delivery methods including: fixed price, unit price, cost reimbursable, guaranteed upset price and construction management arrangements in order to satisfy their needs.

The Company continues to focus on larger and more complex construction projects, which typically offer greater profit margins. In order to achieve this, Bird will continue to enter into joint venture arrangements with partners where it is appropriate to do so. These arrangements are typically beneficial to the Company because they offer a pooling of resources required to complete larger, complex projects and partnering allows for the spreading of operational and financial risk amongst the partners. In the Public Private Partnership ("PPP") market, Bird will continue to pursue an equity position in these projects as a means to support construction operations.

To broaden the scope of Bird's construction services, the Company is self-performing a greater proportion of our heavy civil construction operations, including earthmoving operations. This component of business is becoming more significant and serves to diversify earnings and generate higher returns. Bird will attempt to grow this element of business as opportunities present themselves. In addition, Bird is actively growing our sustaining capital and maintenance services provided to support our oil sands clients. This initiative serves to diversify revenues, making the Company less dependent on new construction programs and further builds customer relationships.

ATTRACTING AND RETAINING PEOPLE

The success of Bird is very much dependent on the Company's ability to attract, develop and retain a highly skilled workforce at all levels within the organization including executives, management, professional staff and craft workers. Competition for the noted workforce is intense and therefore it is critical that Bird be seen by current and prospective employees as a highly attractive place to work. Bird continues to implement relevant human resource programs designed to enhance our recruiting efforts, introduce new and innovative training programs, promote leadership development, support career planning and ensure that our compensation programs remain competitive.

KEY PERFORMANCE DRIVERS

Securing profitable construction contracts and then controlling the costs during the execution of that work are the 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. In economic downturns, fewer opportunities typically exist and competition for those opportunities becomes even more intense, generally resulting in lower gross profit percentages. 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, which enables the Company to secure repeat business from clients.

The Company's success in securing work is also reflected in the value of Backlog. The following table shows the Company's Backlog at the end of the comparative reporting periods. The Company's record level of Backlog of $1,509.1 million at June 30, 2015 compares with $1,149.7 million at December 31, 2014. The increase in Backlog since the end of last year is the result of the award of a number of sizeable projects across all of our operating regions in the first half of 2015. While the projects secured involve work in all market sectors, the majority are institutional, including the Casey House Redevelopment, East Rail Maintenance Facility and the Calgary Composting Facility, all PPP projects secured to the end of the second quarter. The Company expects to continue to secure a significant level of new awards across our geographic and operational market sectors.

(thousands of dollars)	June 30, **2015**	June 30, 2014	December 31, 2014
Backlog	**$ 1,509,100**	$ 1,380,700	$ 1,149,700

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 and achieve productivity objectives associated with the contract. The following table shows the Gross Profit Percentage realized by the Company in the comparative periods.

Six months ended June 30, 2015	Six months ended June 30, 2014	Year ended December 31, 2014
8.2%	7.5%	8.2%

In the first half of 2015, the Company has realized a gross profit percentage of 8.2% compared with 7.5% in the comparative period in 2014. The improvement in the 2015 gross profit percentage compared with the first half of 2014 is primarily due to an increase gross margin percentage on projects executed in our industrial market sector due to a combination of cost efficiencies and scope changes. We have also experienced a modest gross profit percentage increase on our institutional and commercial work programs. For the remainder of 2015, the Company expects that our industrial sector work will continue to represent a significant portion of the Company's work program, however the relative significance of our institutional and commercial work will gradually increase over the last half of the year as the Company commences construction on several of the PPP and other sizeable projects secured more recently.

Financial Condition

The Company must have adequate working capital and equity retained in the business to support its ongoing operations, including surety and contract security requirements. The Company continually monitors the adequacy of its working capital and equity to satisfy contract security needs. The following chart shows the working capital and equity of the Company in the comparative reporting periods.

(thousands of dollars)		**June 30, 2015**		June 30, 2014		December 31, 2014
Working capital	$	**105,742**	$	98,536	$	104,027
Shareholders' equity	$	**181,011**	$	172,279	$	181,587

The Company's shareholders' equity and working capital positions remain comparable to the amounts reported at December 31, 2014. The Company believes it continues to have sufficient working capital and equity to conduct its business in the ordinary course.

Safety

Ensuring that all workers leave our jobsites everyday just as healthy and safe as when they arrived is a cornerstone of our commitment to ensuring that all our work be executed to exacting standards of quality – including safety – on time and on budget. At Bird we call this "Safe Production" and we believe it is critical to our overall success.

A robust safety program is predicated on strong preparation, communication and execution, no different than any other aspect of construction operations. By clearly setting expectations of performance, identifying and controlling hazards, and effectively coordinating information and activity among all of our subcontractors, we minimize risk and create the appropriate conditions for the safe execution of construction activity. It's how we work.

Through our robust orientation and training programs and our ongoing communication and engagement activities, we encourage all workers to actively contribute to our ongoing efforts to continuously improve not only our safety program, but overall collaboration and effectiveness. In this way, we not only ensure they leave work healthy and safe every day but in doing so, help contribute to our overall operational excellence and success.

To the end of the second quarter of 2015, Bird executed 2,400,636 manhours of work, incurring zero lost time incidents (LTI) for an LTI frequency of 0.00.

Lost Time Incident Frequency

Six months ended June 30, 2015	Six months ended June 30, 2014	Year ended December 31, 2014
0.00	0.20	0.17

RESULTS OF OPERATIONS

SIX MONTHS ENDED JUNE 30, 2015 COMPARED WITH SIX MONTHS ENDED JUNE 30, 2014

During the first half of 2015, the Company generated net income of $15.5 million on construction revenue of $641.5 million compared with $10.9 million and $603.5 million, respectively in 2014. The increase in the amount of 2015 earnings is primarily a result of higher construction revenue, the realization of a higher gross profit percentage, lower general and administrative expenses, offset somewhat by lower finance income and higher income tax expense.

Construction revenue of $641.5 million compares with $603.5 million recorded in the first half of 2014. In the first half of 2015, a $38.0 million or 6.3% increase in construction revenues is mainly due to the continued execution of the Company's significant industrial work program combined with a marginal increase in the construction activity derived from the Company's institutional and commercial work programs.

In the first half ended June 30, 2015, the Company's gross profit of $52.3 million compares with $45.4 million recorded a year ago. The $6.9 million (15%) increase in the amount of gross profit is largely the result of an increase in construction revenue combined with an increase in the gross margin percentage on projects across all of the Company's operating sectors. To date in 2015, the Company's gross profit percentage of 8.2% compares to 7.5% recorded a year ago.

In the first half of 2015, general and administrative expenses of $29.9 million (4.7% of revenue) compares with $31.5 million (5.2% of revenue) in 2014. The decrease in 2015 expenses is primarily driven by a reduction of the Company's workforce in certain areas where economic conditions remain weak.

Finance income in the first half of 2015 of $0.5 million was $1.1 million lower than the $1.6 million recorded in the comparable period of 2014. The primary reason for the decrease in 2015 finance income is due to the fact that the Company's incurred a $1.4 million net loss on the disposal of a significant portion of the Company's investment in preferred shares, while in the same period of 2014 the Company reported a gain on its portfolio of preferred shares.

First half finance costs of $1.1 million were comparable to the amount reported in the same period of 2014.

In the first half of 2015, income tax expense of $6.2 million was $2.7 million higher than 2014, consistent with higher current period pre-tax earnings.

THREE MONTHS ENDED JUNE 30, 2015 COMPARED WITH THREE MONTHS ENDED JUNE 30, 2014

During the second quarter of 2015, the Company generated net income of $10.8 million on construction revenue of $335.3 million compared with $10.0 million and $328.8 million, respectively in 2014.

Construction revenue of $335.3 million is comparable with the $328.8 million recorded in the second quarter of 2014.

In the second quarter ended June 30, 2015, the Company's gross profit of $31.1 million compares with $28.5 million recorded a year ago. The $2.6 million (9%) increase in the amount of gross profit is primarily due to an increase gross margin percentage realized on projects across all of the Company's operating sectors driven mainly by productivity gains.

During the second quarter of 2015, general and administrative expenses of $15.6 million (4.7% of revenue) are comparable with the $15.5 million (4.7% of revenue) in 2014.

Finance income in the second quarter of 2015 of $0.4 million was $0.4 million lower than the $0.8 million recorded in the comparable period of 2014. The decrease in finance income is largely due to the fact that in the second quarter of 2015 the Company realized a net loss of $0.2 million on the disposal of its preferred share investments while in the second quarter of 2014 the Company reported a mark to market gain of $0.1 million on the portfolio.

Finance costs of $0.6 million were comparable to the $0.6 million incurred in the second quarter of 2014.

In the second quarter of 2015, income tax expense of $4.5 million was $1.2 million higher than 2014, consistent with higher current period pre-tax earnings.

FUTURE OPERATING PERFORMANCE

The Company has been successful in securing a significant number of new project awards in the first half of 2015, led by the award of the East Rail Maintenance Facility and the Calgary Composting Facility, resulting in record Backlog at June 30, 2015. In addition, the Company, as part of a consortium, was recently named preferred proponent to design and build 18 schools in Saskatchewan. When this project reaches financial close, the contract value will be included in Backlog. These and other significant projects secured in the first half of the year will positively contribute to earnings in the current year and beyond 2015. The earnings performance of the Company in 2015 is expected to be similar to that realized in 2014, a result of the strong execution of the current industrial work program and further supported by contributions from newly secured work, mainly in the institutional sector. Counterbalancing the positive momentum created to date in 2015 is the ongoing uncertain economic conditions related to the resource sector in northern Alberta and northeastern Canada, which have, and will, continue to result in fewer opportunities and margin compression due to intense competition to secure new work.

In the industrial market sector low commodity prices are expected to continue into 2016 with any improvement likely to be modest. The lower commodity price environment has and will continue to result in a reduction in the capital expenditure programs of many of our industrial clients which will limit new project opportunities derived from the resource sector in the current year and beyond. In the institutional market sector the Company has recently commenced construction on the large work program secured in the first half of this year. The revenue and gross profit attributable to these projects will be more meaningful in the latter part of 2015 and provides some underpinning for future years.

The industrial market sector contributed 57% of 2014 revenues (37% in 2013). A number of large contract awards that contributed to 2014 results will continue to be executed into 2015 and accordingly these ongoing projects will continue to make an important contribution to 2015 revenues and gross profit. Although energy sector capital expenditures have been reduced in response to low oil prices, we will continue to aggressively pursue a number of smaller work programs which will continue to come to market to sustain the productive capacity of the energy sector. In northeastern Canada the resource sector continues to be adversely affected by low commodity prices and therefore the Company is still not anticipating any significant turn-around in this area in 2015. To replace resource related revenues, the Company has received awards for construction contracts primarily in the hydroelectric sector, and we will continue to aggressively pursue more work in this area as well as other industrial opportunities as they arise.

The institutional sector contributed 24% of 2014 revenues (26% in 2013). Despite pressure on government capital expenditures, the Company has seen numerous infrastructure projects slated to be built in the coming years in response to a need to replace and upgrade an aging infrastructure across the country. The award of two PPP contracts in the first half of this year are a result of the Company's aggressive pursuit of these types of projects on a selective basis where the project offers a better return and lend themselves to our core competencies. We continue to be actively involved in a number of other PPP and alternative finance institutional project opportunities. Recently the Company, as part of a consortium, was selected as preferred proponent to design, build, finance and maintain the Saskatchewan Schools project. In addition to the PPP projects, the Company has also been awarded several other design build and fixed price institutional contracts across all of our operating districts that will positively contribute to our results later in 2015 and beyond.

The retail and commercial sector represented 19% of 2014 revenues (37% in 2013). Although we continue to see a steady level of activity in this area across the country and have secured several projects in the first half, we continue to believe that revenues and earnings derived from this sector will remain comparable to those realized in 2014.

Backlog

During the first half of 2015, the Company secured $1,000.9 million in new construction contracts (including change orders to existing contracts) and put in place $641.5 million of work resulting in a record level of Backlog at June 30, 2015 of $1,509.1 million. Of this amount, $634.4 million is expected to be put in place during 2015, leaving $874.7 million to carry forward to 2016 and beyond. The following table outlines the changes in the amount of the Company's Backlog throughout the current fiscal period and a comparison to the prior year.

Backlog
(millions of dollars)

December 31, 2013	$	1,268.7
Securements and Change Orders in 2014		1,245.5
Realized in construction revenues in 2014		(1,364.5)
December 31, 2014	$	1,149.7
Securement and Change Orders in 2015		1,000.9
Realized in construction revenues in 2015		(641.5)
June 30, 2015	**$**	**1,509.1**

In addition to Backlog at June 30, 2015, the value of uncompleted construction management contract work, for which the Company acts as an agent for the client, is $21.7 million, compared with $3.0 million at December 31, 2014.

ACCOUNTING POLICIES

The Company's significant accounting policies are outlined in the notes to the audited December 31, 2014 and 2013 Consolidated Financial Statements. The Interim Consolidated Financial Statements were prepared using the same accounting policies as our most recent annual consolidated financial statements.

Future accounting changes
On July 24, 2014 the IASB issued the complete IFRS 9 (IFRS 9 (2014)). The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight. IFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2014), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities. It also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment. IFRS 9 (2014) also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however, it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. Special transitional requirements have been set for the application of the new general hedging model. The Company intends to adopt IFRS 9 (2014) in its financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

On May 28, 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers.* The new standard is effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted. IFRS 15 will replace IAS 11 *Construction contracts* and IAS 18 *Revenue.* The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The Company intends to adopt IFRS 15 in its financial statements for the annual period beginning on January 1, 2017. The extent of the impact of adoption of the standard has not yet been determined.

On December 18, 2014, the IASB issued amendments to IAS 1 *Presentation of Financial Statements* as part of its major initiative to improve presentation and disclosure in financial reports (the "Disclosure Initiative"). The amendments are effective for annual periods beginning on or after January 1, 2016. Early adoption is permitted. These amendments will not require any significant change to current practice, but should facilitate improved financial statement disclosures. The Company intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2016. The extent of the impact of adoption of the amendments has not yet been determined.

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 often 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 or have been utilized, 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)	2013		2014				2015	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	**Q2**
Revenue	367,268	363,692	274,674	328,835	370,382	390,565	306,163	**335,322**
Net income	3,624	5,708	915	10,015	12,425	12,882	4,727	**10,815**
Earnings per share	0.09	0.13	0.02	0.24	0.29	0.30	0.11	**0.26**

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY

The following table presents a summary of the Company's financial condition for the period indicated.

(thousands of dollars)	**June 30, 2015**	December 31, 2014
Financial Position Data		
Cash and cash equivalents	**$ 139,903**	$ 164,033
Investment in marketable securities	**654**	13,750
Working capital	**105,742**	104,027
Long-term debt	**25,876**	28,203
Shareholders' equity	**181,011**	181,587

The Company has sufficient working capital and equity retained in the business to support current operations. The Company expects to utilize cash from operations, existing working capital, including cash and cash equivalent amounts, and draws on its credit facilities to fund liabilities as they become due, finance future capital expenditures and pay dividends on its common shares.

As a component of working capital, the Company maintains balances of cash, cash equivalents and investments in liquid securities. At June 30, 2015, these balances consisted of $139.9 million of cash and cash equivalents and $0.7 million of liquid securities for a total of $140.6 million. The non-cash net current asset/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, billings and collection of receivables from clients, and also the timing in the settlement of income taxes payable. The

Company's cash balances absorb these fluctuations with no net impact to the Company's net working capital position or ability to access contract surety support. The Company believes it has sufficient working capital to support its current contract security requirements.

Credit Facilities

The Company has a number of credit facilities available to access in order 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 $132.0 million of demand facilities used to primarily 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, including cash.

Letters of credit are typically issued to support the Company's performance obligations relating to PPP and other major 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)		**June 30, 2015**		June 30, 2014		December 31, 2014
Operating line of credit	**$**	**132,000**	$	131,500	$	132,000
Letters of credit issued	**$**	**31,515**	$	10,826	$	8,041
Collateral pledged to support letters of credit	**$**	**32,542**	$	28,082	$	20,651

The increase in the amount of outstanding letters of credit at the end of the first half of 2015 compared to the end of 2014 is a primarily the result of the requirement to issue letters of credit relating to the award of the East Rail Maintenance Facility and the Calgary Composting Facility.

Operating Lines of Credit

a) *Committed revolving line of credit:*
The Company has a committed unsecured revolving line of credit for $30.0 million with a Canadian chartered bank. The facility expires on September 28, 2017. This facility may be used in the normal course of business for general working capital purposes, fund future capital expenditures and qualifying permitted acquisitions. At June 30, 2015, the Company has drawn $4.5 million under this facility.
b) *Committed revolving line of credit facility*:
During the second quarter of 2015, a subsidiary of the Company has executed a new $25.0 million committed revolving credit facility, maturing on June 10, 2018. The facility may be used to finance normal course operations. Borrowings under this facility are secured by a first charge against the net assets of the subsidiary. At June 30, 2015, the Company had not drawn on facility.

Equipment Financing

The Company has a committed term credit facility of up to $10.0 million to be used to finance equipment purchases of subsidiaries guaranteed by the Company. As of June 30, 2015, the facility is undrawn. Interest on the facility can be charged at a fixed rate based on the Bank of Canada bond rate plus a spread. Interest is paid monthly in arrears. Draws under this facility are permitted until June 10, 2018.

During the second quarter of 2015, a subsidiary of the Company has executed a new committed term credit facility of up to $15.0 million to be used to finance equipment purchases. As of June 30, 2015, the facility is undrawn. Borrowings under the facility are secured by a first charge against certain of the subsidiary's equipment financed using the facility. Interest on the facility can be charged at a fixed rate based on the Bank of Canada bond rate plus a spread. Interest is paid monthly in arrears. Draws under this facility are permitted until June 10, 2018.

In addition, subsidiaries of the Company have equipment acquisition lines of credit for $62.5 million with the financing arms of several major heavy equipment suppliers to finance equipment procurement. Draws under this facility are typically recognized as operating leases for accounting purposes. At June 30, 2015, the Company has used $17.3 million under the facilities ($19.6 million at December 31, 2014). The Company's total lease commitments are outlined under Contractual Obligations.

At June 30, 2015, the Company was in compliance with all debt covenants relating to its operating and equipment lines of credit.

Loans and Borrowings

In the first half of 2015, the Company issued new debt excluding finance leases totaling $3.9 million and made $6.4 million in principal repayments. The new debt issue in the first half of 2015 relates to draws made pursuant to the non-recourse construction finance facility supporting a new build finance contract. The following table provides details of outstanding debt as at June 30, 2015, and principal repayments due over the next five years, excluding the amortization of debt financing costs of $0.3 million and finance lease liabilities.

Debt	Amount	Year 1	Year 2	Year 3	Year 4	Year 5
(thousands of dollars)						
Loans and borrowings	$ 25,018	$ 14,644	$ 7,126	$ 2,007	$ 853	$ 388

Cash Flow Data

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

	Six months ended June 30,	
(thousands of dollars)	**2015**	2014
Cash Flow Data		
Cash flows from operations before changes in non-cash working capital	**$ 29,756**	$ 22,073
Changes in non-cash working capital and other	**(44,962)**	(50,424)
Cash flows from (used in) operating activities	**(15,206)**	(28,351)
Cash flows from (used in) investing activities	**9,715**	(10,916)
Cash flows from (used in) financing activities	**(18,639)**	(19,499)
(Decrease) in cash and cash equivalents	**$ (24,130)**	$ (58,766)

Operating Activities

During the six months ended June 30, 2015, the Company generated cash flows from operations before changes in non-cash working capital of $29.8 million compared with $22.1 million in the first half of 2014. In the first six months of 2015, cash flow from operations was comprised of $29.8 million of cash from operating activities before changes in non-cash working capital and $45.0 million of cash used to fund an increase in the Company's non-cash working capital position. In 2014, the comparative amounts were $22.1 million of cash from operations before changes in non-cash working capital and $50.4 million of cash used to fund an increase in the Company's non-cash working capital position. Changes in the amount of non-cash working capital primarily represent normal course fluctuations in the Company's net non-cash current asset/liability position. In some periods, this fluctuation will be a use of cash, as it was in both the first halves of 2015 and 2014, while it will be a source of cash in other periods, tending to balance out over time and having no net impact on the Company's working capital.

Investing Activities

During the six months ended June 30, 2015, the Company generated $9.7 million of cash from investing activities compared with a use of cash of $10.9 million in 2014. In the first half 2015, the proceeds realized from the sale of preferred share investments generated cash of $11.7 million. The Company used $2.7 million of cash to purchase property, equipment and computer software partially offset by proceeds from equipment disposals of $1.0 million. In the first half of 2014, investing activities resulted in the use of cash of approximately $10.9 million resulting primarily from cash used to purchase property, equipment and computer software of $11.2 million. The reduction in the amount of first half 2015 capital expenditures compared to last year reflects the fact that the Company's level of investment in equipment is currently sufficient to support the projected work program in the short term.

Financing Activities

During the six months ended June 30, 2015, the Company used $18.6 million of cash in financing activities compared with a use of cash of $19.5 million in 2014. The decrease in cash used in financing activity in first half 2015 results from an additional $1.5 million of cash proceeds received from the issuance of new debt offset by an additional $0.6 of debt repayments when compared with their respective amounts in 2014.

DIVIDENDS

The Company declared monthly dividends on common shares payable on or about the 20th of the month following the month in which the dividend was declared. The following table outlines the dividend history:

April 1, 2014 to June 30, 2014	$0.190
July 1, 2014 to September 30, 2014	$0.190
October 1, 2014 to December 31, 2014	$0.190
January 1, 2015 to March 31, 2015	$0.190
April 1, 2015 to June 30, 2015	**$0.190**

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 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. 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, including a Bird leadership program to provide a forum for high-potential candidates to develop their leadership skills.

CONTRACTUAL OBLIGATIONS

At June 30, 2015, the Company has future contractual obligations of $389.6 million. Obligations for accounts payable, finance and operating annual lease payments and for principal repayments, including interest, under long-term debt over the next five years are:

(thousands of dollars)		Accounts Payable	Finance Leases	Operating Leases	Long-Term Debt	Total
2015	$	306,536	734	5,248	9,934	322,452
2016		13,587	175	5,116	11,817	30,695
2017		2,201	52	3,929	2,086	8,268
2018		1,283	-	3,045	1,753	6,081
2019		-	-	2,617	317	2,934
Thereafter		-	-	18,985	211	19,196
	$	323,607	961	38,940	26,118	389,626

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 valued at $6.1 million at June 30, 2015.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent assets and liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in a material adjustment to the carrying amount of an asset or liability and/or the reported amount of revenue and expense in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and any future periods affected.

Construction revenue, construction costs, deferred revenue and costs and estimated earnings in excess of billings are all based on estimates and judgments used in determining an estimate of contract revenue and contract costs and to determine the stage of completion for a particular construction project, depending on the nature of the construction project, as more fully described in the Revenue Recognition Policy included in the notes to the Company's annual financial statements. To determine the estimated costs to complete construction projects, assumptions and estimates are required to evaluate issues related to schedule, material and labour costs, labour productivity, changes in contract scope and subcontractor costs. Due to the nature of construction, estimates can change significantly from one accounting period to the next.

The value of many construction contracts increases over the duration of the construction period. Change orders may be issued by our clients to modify the original contract scope of work or conditions. In addition, there may be disputes or claims regarding additional amounts owing as a result of changes in contract scope, delays, additional work or changed conditions. Construction work related to a change order or claim may proceed and costs may be incurred in advance of final determination of the value of the change order. As many change orders and claims may not be settled until the end of the construction project, significant increases or decreases in revenue and income may arise during any particular accounting period.

Provisions involve the use of estimates, as determined by management. Estimates and assumptions are required to determine when to record and measure a provision in the financial statements for legal and warranty claims. The outcomes can differ significantly from the estimates used in preparing the financial statements resulting in required adjustments to expenses and liabilities.

Impairment testing is performed annually for indefinite-lived intangible assets and goodwill resulting from business combinations, by comparing the recoverable amount of the cash generating unit ("CGU"), or groups of CGUs to its carrying amount. The recoverable amount of the CGU has been determined based on a value in use calculation. There is significant amount of uncertainty with respect to the estimates of recoverable amounts of the CGUs' assets given the necessity of making key economic projections which employ the following key assumptions: future cash flows, growth opportunities, including economic risk assumptions and estimates of achieving key operating metrics and drivers and the discount rate.

OUTSTANDING COMMON SHARE DATA AND STOCK EXCHANGE LISTING

The Company is authorized to issue an unlimited number of common shares. The Company had a total of 42,516,853 common shares outstanding at June 30, 2015 and December 31, 2014.

The Company's Board of Directors has previously 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. No stock options were exercised at June 30, 2015. During the first half of 2015, 65,000 stock options were forfeited resulting from the retirement of a plan participant.

The Company's Board of Directors approved the award of 100,000 stock options with a grant date of January 1, 2015 to the newly appointed President and CEO. The total number of stock options is exercisable in equal amounts on the first through fourth anniversary dates from the grant date. The exercise price is based on the weighted average trading price of the Company's common shares on the Toronto Stock Exchange for the five trading days ending on December 31, 2014. The stock options awarded will expire on January 1, 2022.

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 June 30, 2015, 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 June 30, 2015, under the supervision of and with the participation of management, including the CEO and CFO, internal controls over financial reporting 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 six month period ended June 30, 2015 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 12, 2015, 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 also 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 the oil sands of northern Alberta and more recently, in eastern Canada through the acquisition of O'Connell. 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 clients' 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 and may make them more sensitive to construction costs. A decrease in construction activity in this sector could have an adverse effect on the Company's financial performance and results of operations. Moreover, many 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. Competitors 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 into 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 makeup 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 large projects and in the PPP market, 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 intense. 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.

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. Governments are still addressing budget deficit issues which may affect the institutional capital spending in the future. 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 estimates of the project costs may be in error, resulting in a loss of or lower than anticipated profits. All significant cost estimates are reviewed by senior management prior to tender 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. Subcontractor defaults tend to increase during depressed market conditions. If subcontractors fail to satisfactorily perform their portion of the work, Bird may be required to engage alternate subcontractors to complete 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 subcontractor's work, Bird may require some form of performance security and achieves this through the use of surety bonds, subcontractor default insurance or other forms of security from the subcontractors to mitigate Bird's exposure to the risks associated with a subcontractor under the contract. 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 occur and 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 work sites 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 contract termination, 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.

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.

- **"Lost Time Incident Frequency"** is the number of lost time incidents recorded per 200,000 manhours 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 12, 2015 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.