BIRD
CONSTRUCTION INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FIRST QUARTER ENDED MARCH 31, 2011

Management's Discussion and Analysis - First Quarter Ended March 31, 2011

The following Management's Discussion and Analysis ("MD&A") of Bird Construction Inc.'s ("the Company") financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2011 and the December 31, 2010 audited consolidated financial statements of Bird Construction Income Fund (the predecessor to the Company) 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 3, 2011. This MD&A has been prepared as of June 2, 2011. 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").

On January 1, 2011, the Fund converted from an income trust structure to a public corporation under an Arrangement Agreement executed between the Fund and the Company. Under the Arrangement Agreement the Fund's Unitholders transferred their units in the Fund to the Company in exchange for commons shares of the Company on a one-for-one basis. Accordingly, all former Unitholders became Shareholders of the Company on January 1, 2011 and the Company owned all of the outstanding units of the Fund.

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EXECUTIVE SUMMARY:

(thousands of dollars, except per share amounts)	For the three months ended March 31, 2011	2010
Income Statement Data		
Revenue	$ 171,155	$ 181,626
Gross profit	12,179	25,585
Income before income taxes	5,792	16,903
Net income [1]	4,109	13,811
Basic and diluted earnings per share [3]	0.10	0.33
Cash Flow Data		
Cash flows from (used in) operations	(17,012)	3,256
Additions to property and equipment [2]	1,265	359
Cash dividends/distributions paid	(2,108)	(6,323)
Cash dividends/distributions declared per share [3]	0.165	0.150
	March 31, 2011	December 31, 2010
Balance Sheet Data		
Total assets	446,443	482,981
Working capital	135,727	137,130
Shareholders' equity	157,794	160,640

(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

HIGHLIGHTS DURING THE QUARTER:

- The Company's first quarter net income of $4.1 million compares with $13.8 million reported in the first quarter of 2010. The reduction in net income is a result of a decline in construction revenues derived from industrial work combined with the impact of lower overall gross profit margins, consistent with a more competitive market. Additional income tax expense of approximately $1.7 million resulting from the full taxation of Bird's income effective January 1, 2011 also contributed to lower first quarter 2011 earnings.

- The Company secured $160.0 million of new construction contracts during the quarter including change orders on existing contracts, and put in place work valued at $171.2 million. In addition, the Royal Alberta Museum contract was cancelled during the quarter resulting in a reduction to Backlog of $147.0 million. Backlog as at March 31, 2011 was $1,071.4 million compared to $1,229.6 million as at December 31, 2010.

- In the first quarter, the Company successfully achieved substantial construction completion on the Surrey Outpatient Facility in British Columbia. The completion of this significant project represents Bird's second Public Private Partnerships (PPP) project to be completed.

- Effective January 1, 2011, the Fund converted from an income trust structure to a public corporation.

- On March 3, 2011, the Company announced its first common share dividend since converting from an income trust structure to a public corporation. The quarterly dividend of $0.495 per common share represents a 10% increase in the annualized amount of the distributions previously paid by the Company's predecessor, the Fund.

- On March 3, 2011, the Company approved a three-for-one stock split accomplished by way of a stock dividend. A stock dividend of two common shares for each common share held on April 14, 2011 was declared on March 3, 2011 and paid on April 22, 2011.

- On March 3, 2011, the Company announced that dividends will be paid on a monthly basis rather than on a quarterly basis. Effective with the April 2011 dividend, the Company commenced payment of monthly dividends at a rate of $0.055 per common share, equivalent to $0.66 per common share on an annualized basis. The amount is equivalent to an annualized rate of $1.98 per common share before the impact of the three-for-one stock split.

- The Company previously prepared its financial statements in accordance with Canadian GAAP and adopted International Financial Reporting Standards ("IFRS") effective January 1, 2011. For more information regarding the transition to IFRS, see note 26 to the condensed consolidated interim financial statements, which contains further information and a reconciliation of previously reported financial information prepared under Canadian GAAP to IFRS. Except as otherwise noted, the financial information contained in the MD&A and in the interim financial statements has been prepared in accordance with IFRS.

NATURE OF THE BUSINESS:

The Company operates as a general contractor with offices in Halifax, Saint John, 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, commercial and institutional ("ICI") 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. Since 2008, the Company secured and will continue to pursue design-build contracts with entities participating in the PPP market in the institutional sector.

While Bird self-performs some elements of its projects, particularly in the industrial market sector, 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. The Company does not have a significant investment in equipment and fixed assets. 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 constructing projects for clients in the ICI sectors. The Company will continue to utilize a range of contract formats and also will continue to pursue design-build projects across the entire ICI sector. 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.

More recently, 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 it construction operations and generate additional construction opportunities. The Company has built 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 has developed expertise in the construction of water and waste water treatment facilities and will continue to capitalize on this expertise. Small to mid-size acquisitions may be considered as a means of achieving higher penetration in this market area.

The Company is well positioned to capitalize on what we believe 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.

The Company believes that attractive opportunities exist for servicing the mining and hydro-electric industries and may consider acquisition opportunities to access this market.

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 sub-contractors. 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 over the last year have been weak and, accordingly, the competition for the contracts has increased. Both construction revenues and gross margins have been 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 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 reporting periods.

Backlog

(thousands of dollars)	**March 31, 2011**	**March 31, 2010**	**December 31, 2010**
Backlog	$ 1,071,400	$ 844,100	$ 1,229,600

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 reporting periods.

Construction Gross Profit Percentage

Three Months Ended March 31, 2011	**Three Months Ended March 31, 2010**	**Year Ended December 31, 2010**
7.1%	14.1%	10.6%

The reduction in the gross profit percentage in the current quarter compared with the same period last year is a result of the very competitive market that exists due to the recent economic conditions. The gross profit percentage achieved in the first quarter of 2010 reflected the execution of projects that were awarded in a more robust economic environment prior to the onset of the economic recession. The impact of lower gross profit percentages was particularly evident in the last half of 2010 as higher margin projects awarded before the economic recession began were completed in the first half of 2010, with the result that a greater proportion of lower margin projects were recognized in earnings in the last half of 2010 and this trend continued into the first quarter of 2011.

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, 2011**	**March 31, 2010**	**December 31, 2010**
Working Capital	$ 135,727	$ 132,572	$ 137,130
Shareholders' Equity	$ 157,794	$ 147,243	$ 160,640

Safety

The Company emphasizes safety in the conduct of all its activities. The Company will continue to strive for safety excellence as an integral part of the success of its overall operations. The Company is continually working to improve both its administration and technical execution with respect to safety. Safety management practices are reviewed by senior management of the Company. These reviews, along with comments from our operations staff, form the basis for an annual update of the Company's safety manual and procedures. The achievement of our success is measured based on Lost Time Accident statistics, which are monitored on a monthly basis, at all levels of the Company.

Lost Time Accident Frequency

	Three months ended March 31, 2011	Three months ended March 31, 2010	Year ended December 31, 2010
	0	0	0

In 2010, the Company is currently reporting a no lost time accident (LTA) year, however 2 incidents are currently in dispute with the respective Workers' Compensation Boards that could result in the incidents being reclassified as an LTA. Should these 2 incidents be classified as LTA's, the resulting LTA frequency for 2010 would be 0.25. This frequency is well below the industry average. A Lost Time Accident (LTA) is a work-related injury or illness that results in an individual being unable to work on a subsequent scheduled work day or shift. LTA frequency is defined as the number of LTA's recorded for a group of workers, per 200,000 man-hours of work by that group.

RESULTS OF OPERATONS:

THREE MONTHS ENDED MARCH 31, 2011 COMPARED WITH THREE MONTHS ENDED MARCH 31, 2010

The Company's performance in the first quarter of 2011 reflects the continuation of a very competitive construction market which began to impact the Company's gross profits in the second half of 2010. In the first quarter, the Company reported net income of $4.1 million on construction revenue of $171.2 million, compared with $13.8 million and $181.6, million respectively, in the first quarter of 2010. The reduction in the amount of net income compared with the prior year is attributable to the combined effect of lower construction revenue, lower gross profit and a relatively higher incidence of income tax expense which resulted in Bird's entire income being fully subject to corporate taxation in 2011.

Construction revenue of $171.2 million in the quarter was $10.4 million or approximately 5.8% lower than the amount recorded in 2010. The reduction in revenue primarily reflects lower revenues derived from the Company's industrial market activities related to a significant reduction in the amount of capital expenditures in the Alberta oil sands. In the first quarter of 2010, the Company's revenues included the revenues derived from the completion of previously awarded oil sands contracts. New contracts secured did not completely replace the volume of contracts completed and the gross profit margins associated with these new projects were lower.

In the first quarter of 2011, the Company's gross profit of $12.2 million compares with $25.6 million recorded a year ago. Although some of the reduction is attributable to lower construction revenues, for the most part, it is a result of lower gross profit margins. In 2011, the gross profit margin was 7.1%, compared with 14.1% in 2010. The Company began to experience the impact of lower margins in the last half of 2010 and the current quarter results reflect a continuation of a very competitive market as a result of current economic conditions. A substantial portion of the gross profit realized in the first quarter of 2010 included profit earned on projects which were awarded in more robust economic times and consequently had higher embedded gross profit margins than those associated with more recently secured projects.

General and Administrative expenses of $7.3 million were $2.0 million lower than those recorded in 2010. The reduction is primarily a result of lower overall compensation expense.

Finance income of $1.2 million was $0.3 million higher than 2010, primarily due to higher market returns available in 2011 compared with 2010 and to a lesser extent because of the impact of higher amounts of cash available to invest.

Finance costs of $0.2 million were relatively comparable with costs incurred in 2010. The amounts represent the interest accretion on holdback payables, which are recorded in the financial statements at amortized cost.

In 2011, income tax expense of $1.7 million was $1.4 million lower than 2010, consistent with lower pre-tax earnings. However, the amount of 2011 income tax expense reflects earnings being fully subject to corporate taxation. In 2010, the Company derived a benefit available to income trusts and their ability to shelter from income taxes, income that was distributed to unitholders. If these earlier rules continued to apply in 2011, the Company would not have recorded any income tax expense in the first quarter of 2011.

FUTURE OPERATING PERFORMANCE:

Successful financial performance of the Company is dependent upon securing profitable construction contracts and then controlling the cost associated with executing the work. The ability to secure contracts is a function of the general state of the economy. In the first half of 2010, the Company generated revenues and earnings, which reflected strong Backlog carried forward from a period of robust economic activity prior to the economic downturn. Since the start of the economic downturn, construction markets have remained very competitive, and the revenues and earnings reported in the last half of 2010 and the first quarter of 2011 reflect a greater proportion of work secured in a lower margin environment. Although the Company has been successful in maintaining a healthy amount of Backlog, the gross profit margins associated with new projects are lower than those experienced in recent years. Throughout the remainder of 2011 and possibly into 2012, management believes that earnings will continue to be affected by competitive market conditions.

The retail and commercial sector represented 7% of 2010 revenues (12% - 2009). In the current construction market, opportunities in the retail and commercial markets are significantly reduced compared to the period before the start of the economic downturn. Although some recovery is expected in 2011 as the economy is projected to strengthen, this market is likely to remain very competitive and the impact of this improvement on earnings is expected to be minimal.

The institutional sector represented 61% of 2010 revenues (55% - 2009). Opportunities in the public markets in 2011 are expected to remain solid; however, as all levels of government are expected to come under pressure to address budget deficits, management expects a decline in the level of expenditures in 2011 compared with 2010. The PPP construction market is also becoming more difficult both in terms of the quantity of opportunities and increased pressure on gross profit margins. There still remains a number of attractive opportunities for Bird. The Company will continue to be active in this market sector and will be submitting proposals on additional PPP projects throughout 2011 and beyond.

The industrial market contributed 32% of 2010 revenues (33% - 2009). Alberta oil sands activity in late 2009 and through 2010 was significantly reduced from the high levels experienced in 2007 and 2008. A number of the Company's oil sands clients have announced plans for projects. Engineering and procurement activity related to a number of these projects is underway. While construction work on smaller projects is expected to be available through the remainder of the year, a significant rebound in this work is not expected to impact our operating results until 2012 at the earliest.

Backlog

The Company secured $160.0 million in new construction contracts (including change orders to existing contracts), and put in place $171.2 million of construction revenue during the first quarter of 2011. In addition, on April 15, 2011, the Company announced that the Royal Alberta Museum project valued at $147.0 million was cancelled and the amount was removed from the Backlog. As a result, the Company's Backlog decreased to $1,071.4 million at March 31, 2011 compared to $1,229.6 million as at December 31, 2010. With respect to the current Backlog, approximately $580.5 million is expected to be put in place during 2011, leaving $490.9 million to carry forward to 2012 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, 2009	$	901.4
Securements and Change Orders in 2010		1,170.2
Realized in construction revenues in 2010		(842.0)
December 31, 2010		1,229.6
Securements and Change Orders - Q1 2011		160.0
Cancellations - Q1 2011		(147.0)
Realized in construction revenues - Q1 2011		(171.2)
March 31, 2011	$	1,071.4

In addition to Backlog, at March 31, 2011, the value of uncompleted construction management contract work, for which the Company acts as an agent for the customer, is $196.6 million, compared with $126.6 million at December 31, 2010.

ACCOUNTING POLICIES:

The Company's significant accounting policies are outlined in the notes to the March 31, 2011 Unaudited Condensed Consolidated Interim Financial Statements.

Adoption of IFRS

Effective January 1, 2011, the Company adopted International Financial Reporting Standards ("IFRS") accounting policies and the related disclosure standards. The financial statements for the three months ended March 31, 2011 have been prepared in accordance with IFRS accounting and reporting standards and were approved by the Company's Board of Directors on June 2, 2011. The impact of the transition to IFRS standards relate primarily to the level of disclosure required in the current and prior period financial statements, including presentation and classification of expenses in the income statement. With the exception of the accounting for the Company's Medium Term Incentive Plan, there were no significant changes to Bird's accounting policies for determining or measuring its assets, liabilities, revenues and expenses.

The notes to the Unaudited Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2011 include reconciliations to the 2010 comparative financial statements of income, cash flows and equity previously presented using Canadian generally accepted accounting principles with those presented under IFRS.

The Company has adopted IFRS reporting standards to account for its Medium Term Incentive Plan. The amount of compensation expense included in the income statement includes amortization of the fair value of the Plan over the vesting period. Previously, under Canadian generally accepted accounting policies, the MTIP expense was included in the earnings of the period to which the MTIP award was based. This change in accounting policy has been applied retrospectively and is discussed more fully in the notes to the Unaudited Condensed Consolidated Interim Financial Statements.

Future accounting changes

IFRS 9 Financial Instruments (2010) supersedes IFRS 9 Financial Instruments (2009) and is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. For annual periods beginning before January 1, 2013, either IFRS 9 (2009) or IFRS 9 (2010) may be applied.

The Company intends to adopt IFRS 9 Financial Instruments (2010) in its financial statements for the annual period beginning on January 1, 2013. The Company does not expect IFRS 9 Financial Instruments (2010) to have a material impact on the financial statements. The classification and measurement of the Company's financial assets is not expected to change under IFRS 9 Financial Instruments (2010) because of the nature of the Company's operations and the types of financial assets that it holds.

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)	2009			2010				2011
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue	228,656	230,154	205,223	182,502	204,417	232,390	226,575	171,155
Net income	15,942	14,192	13,024	13,811	14,983	8,143	9,238	4,109
Earnings per share (1)	0.38	0.34	0.31	0.33	0.36	0.19	0.22	0.10

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

Amounts presented for 2011 and 2010 are prepared in accordance with IFRS. 2009 balances are prepared in accordance with Canadian GAAP before the adoption of IFRS.

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY:

The Company believes that its strong balance sheet, including equity of $157.8 million, $135.8 million of working capital, and no debt, 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 following table outlines the amount of Shareholders' equity, working capital and Backlog at March 31, 2011, March 31, 2010 and December 31, 2010.

(thousands of dollars)		**March 31, 2011**		**March 31, 2010**		**December 31, 2010**
Shareholders' Equity	$	157,794	$	147,243	$	160,640
Working Capital	$	135,727	$	132,572	$	137,130
Backlog	$	1,071,400	$	844,100	$	1,229,600

The Company's more recent 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.

The following table outlines the amount of credit available under the lines of credit, the amount of letters of credit issued under the bank facility and the value of Company owned financial instruments pledged as collateral against the outstanding letters of credit at March 31, 2011, March 31, 2010 and December 31, 2010.

(thousands of dollars)		March 31, 2011		March 31, 2010		December 31, 2010
Operating Line of Credit	$	131,500	$	51,500	$	131,500
Letters of Credit Issued	$	43,389	$	15,571	$	43,159
Collateral Pledged to support letters of credit	$	51,581	$	32,772	$	50,456

Liquidity

The absence of any long-term debt and a high proportion of working capital represented by cash and other liquid securities 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, 2011		December 31, 2010
Financial Position Data				
Cash and cash equivalents	$	201,461	$	217,441
Investment in marketable securities		25,041		29,375
Working capital		135,727		137,130
Shareholder/Unitholders' equity		157,794		160,640

As a component of working capital, the Company maintains significant balances of cash and cash equivalents and investments in liquid securities. At March 31, 2011, these balances consisted of $201.5 million of cash and cash equivalents and $25.0 million of liquid securities for a total of $226.5 million. The $226.5 million is comprised of the Company's $135.7 million of working capital plus a working cash balance of $83.8 million, which offsets a corresponding non-cash net current liability position and $7.0 million of cash held to finance the current dividend payable. These components are summarized in the following table for March 31, 2011 and March 31, 2010.

Working Capital Components

(thousands of dollars)		March 31, 2011		March 31, 2010
Investment in marketable securities (bonds and preferred shares)	$	25,041	$	25,667
Cash and cash equivalents held for working capital		110,686		106,905
		135,727		132,572
Cash held for distributions payable		6,955		2,108
Distributions payable		(6,955)		(2,108)
Working cash		83,820		77,467
Non-cash net current liabilities		(83,820)		(77,467)
Working capital	$	135,727	$	132,572

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 periods indicated:

(thousands of dollars)	Three months ended March 31 2011		Three months ended March 31 2010	
Cash Flow Data				
Operating activities	$	(17,012)	$	3,256
Investing activities		3,140		(14,216)
Financing activities		(2,108)		(6,323)
Increase/decrease in cash and cash equivalents	$	(15,980)	$	(17,283)

Operating Activities

During the three months ended March 31, 2011, the Company used cash in operating activities of $17.0 million. This was comprised of $6.2 million of cash provided by earnings net of non-cash charges to earnings and $23.2 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 2011, the Company generated $3.1 million of cash from investing activities compared with a use of $14.2 million in 2010. The fluctuation in the level of activity reflects management's decision made in 2010 to invest some of its cash balances in high quality, short-term corporate bonds to increase the amount of interest income earned on working capital compared with that earned by investing in money market securities. 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 2011 financing activities used $2.1 million of cash to fund distributions declared by the Company's predecessor, Bird Construction Income Fund, while in 2010, the comparable balance was $6.3 million, representing monthly distributions paid by the Fund in that prior quarter.

DIVIDENDS AND DISTRIBUTIONS:

The Company intends to declare monthly dividends of $0.055 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/distribution history.

Dividends and Distributions Declared per Share/Unit

January 1, 2010 to March 31, 2010	$0.450
April 1, 2010 to June 30, 2010	$0.450
July 1, 2010 to September 30, 2010	$0.450
October 1, 2010 to December 31, 2010	$0.450
January 1, 2011 to March 31, 2011	$0.495
April 1, 2011 to June 30, 2011 [1]	$0.165

(1) Adjusted for 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 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:

The Company has future minimum annual lease payment obligations relating to the lease commitments on buildings and equipment over the next five years ending March 31 and thereafter, as follows:

(thousands of dollars)		Operating Leases
2011 (nine months)	$	1,772
2012		1,947
2013		1,439
2014		450
2015		75
Thereafter		1
	$	5,684

OFF BALANCE SHEET ARRANGEMENTS:

The Company has not engaged in any off balance sheet arrangements.

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. 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 revenue 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.

Provisions 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.

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 14,051,282 common shares outstanding at March 31, 2011. On January 1, 2011, the Fund, the predecessor to the Company, converted from a publicly-traded income trust structure to a publicly-traded corporation pursuant to a Plan of Arrangement approved by the unitholders and the Courts. Under the Plan of Arrangement, each income trust unit was exchanged for one common share of the Company.

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

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 June 2, 2011, the Company has 42,153,846 outstanding common shares.

CONTROLS AND PROCEDURES:

Disclosure Controls and Procedures

Based on their evaluations as of March 31, 2011, 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, 2011, 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 three months ended March 31, 2011 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 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 through a combination of geographic diversity and providing construction services to a wide range of commercial, industrial and institutional customers. However, there is no assurance that these methods will be effective in insulating Bird from a downturn in the economy.

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 may 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 contract market, a strong balance sheet measured in terms of an adequate level of working capital is typically required.

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. 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 political circumstances including elections, could have an adverse impact on the Company if that business could not be replaced within the private sector.

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, to a significant degree, 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 alternative 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 the Company. 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 subcontractors and trades person capacity concerns in order to mitigate any effect on operations. To the extent possible, Bird will also allocate work to a number of qualifying subcontractors to minimize its economic dependency on any one subcontractor.

Maintaining Safe Work Sites

In spite of the best efforts of Bird to minimize the risk of incidents, incidents do 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 and even criminal prosecution. Bird's safety record and worksite and office 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 contractor has an unacceptably high incidence of safety infractions. Bird adheres to very rigorous safety policies and procedures which are continually reinforced on its work sites and offices.

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 branch 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 are 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.

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. 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.

Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2011

Notice required under National Instrument 51-102, "Continuous Disclosure Obligations" Part 4.3 (3) (a).

The attached condensed consolidated interim financial statements have been prepared by management of Bird Construction Inc. and have not been reviewed by the Company's independent external auditors.

BIRD CONSTRUCTION INC.
CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands of Canadian dollars)
(unaudited)

	Note	March 31 2011	December 31 2010	January 1 2010
ASSETS				
Current assets:				
Cash	9	$ 179,193	$ 199,441	$ 174,854
Bankers' acceptances and short-term deposits	9	22,268	18,000	28,909
Bonds and preferred share investments	5 and 9	25,041	29,375	11,670
Accounts receivable	6	188,482	207,141	194,412
Costs and estimated earnings in excess of billings		1,247	2,539	4,506
Prepaid expenses and other assets		496	655	507
Income taxes recoverable		4,153	295	7,925
Current assets from discontinued operations		-	-	1,004
Total current assets		420,880	457,446	423,787
Non-current assets:				
Property and equipment	7	8,041	7,487	8,398
Deferred income tax asset	10	5,458	4,770	809
Deferred income tax asset from discontinued operations	10	-	1,266	1,372
Intangible assets	8	2,770	2,718	2,338
Goodwill	8	9,294	9,294	9,294
Total non-current assets		25,563	25,535	22,211
TOTAL ASSETS		$ 446,443	$ 482,981	$ 445,998
LIABILITIES				
Current liabilities:				
Accounts payable		$ 204,998	$ 240,789	$ 224,181
Accounts payable of discontinued operations		-	633	2,233
Deferred contract revenue		53,736	50,078	53,118
Dividends payable to shareholders		6,955	2,108	2,108
Income taxes payable		2,369	7,189	9,991
Provisions	13	13,684	14,699	6,442
Other liabilities	11	3,411	4,820	1,531
Total current liabilities		285,153	320,316	299,604
Non-current liabilities:				
Deferred income tax liability	10	1,052	91	2,686
Other non-current liabilities	11	2,444	1,934	3,953
Total non-current liabilities		3,496	2,025	6,639
SHAREHOLDERS' EQUITY				
Shareholders' capital	12	37,527	-	-
Unitholders' capital	12	-	37,527	37,527
Retained earnings		120,267	123,113	102,228
Total shareholders' equity		157,794	160,640	139,755
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 446,443	$ 482,981	$ 445,998

The accompanying notes are an integral part of these condensed consolidated interim financial statements

BIRD CONSTRUCTION INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

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

(unaudited)

	Note	For the three months ended March 31 **2011**	2010
Construction revenue		**$ 171,155**	$ 181,626
Costs of construction		**158,976**	156,041
Gross profit		**12,179**	25,585
General and administrative expenses		**7,342**	9,353
Income from operations		**4,837**	16,232
Finance income	14	**1,168**	876
Finance costs	15	**(213)**	(207)
Income before income taxes		**5,792**	16,901
Income tax expense	10	**1,683**	3,090
Net income and comprehensive income for the period		**$ 4,109**	$ 13,811
Basic and diluted earnings per share	3 (h)	$ **0.10**	$ 0.33

The accompanying notes are an integral part of these condensed consolidated interim financial statements

BIRD CONSTRUCTION INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands of Canadian dollars, except per share amounts)
(unaudited)

	Shareholders' Capital	Unitholders' Capital	Retained earnings	Total Equity
Balance at January 1, 2010	$ -	$ 37,527	$ 102,228	$ 139,755
Distributions declared to unitholders	-	-	(6,323)	(6,323)
Net income and comprehensive income for the period	-	-	13,811	13,811
Balance at March 31, 2010	$ -	$ 37,527	$ 109,716	$ 147,243
Distributions per unit declared during the three month period ended March 31, 2010			$0.150	
Balance at December 31, 2010	**$ -**	**$ 37,527**	**$ 123,113**	**$ 160,640**
Conversion to corporation	**37,527**	**(37,527)**	**-**	**-**
Dividends declared to shareholders	**-**	**-**	**(6,955)**	**(6,955)**
Net income and comprehensive income for the period	**-**	**-**	**4,109**	**4,109**
Balance at March 31, 2011	**$ 37,527**	**$ -**	**$ 120,267**	**$ 157,794**
Dividends per share declared during the three month period ended March 31, 2011			$0.165	

The accompanying notes are an integral part of these condensed consolidated interim financial statements

BIRD CONSTRUCTION INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of Canadian dollars)
(unaudited)

	Note	For the three months ended March 31 2011	2010
Cash flows from (used in) operating activities:			
Net income and comprehensive income for the period		**$ 4,109**	$ 13,811
Items not involving cash:			
Amortization		**170**	145
Depreciation		**465**	539
Loss on sale of property and equipment		**7**	13
Mark-to-market gain on investments	14	**(310)**	(129)
Loss/(gain) on disposal of investments	14	**256**	(10)
Interest and dividend income	14	**(1,114)**	(737)
Finance costs		**213**	207
Medium term incentive plan expense		**642**	404
Income tax expense		**1,683**	3,090
Foreign exchange loss on deferred income tax		**32**	48
		6,153	17,381
Changes in working capital relating to operating activities	19	**(15,164)**	(3,658)
Dividends and interest received		**853**	225
Income taxes paid		**(8,854)**	(10,692)
Cash flows from (used in) operating activities		**(17,012)**	3,256
Cash flows used in investing activities:			
Additions to property and equipment		**(1,043)**	(266)
Additions to intangible assets		**(222)**	(93)
Proceeds on sale of property and equipment		**17**	2
Purchase of investments		**(2,373)**	(14,869)
Proceeds from disposal of investments		**6,761**	1,010
Cash flows from (used in) investing activities		**3,140**	(14,216)
Cash flows used in financing activities:			
Distributions paid on units		**(2,108)**	(6,323)
Cash flows used in financing activities		**(2,108)**	(6,323)
Net increase (decrease) in cash and cash equivalents during the period		**(15,980)**	(17,283)
Cash and cash equivalents, beginning of the period		**217,441**	203,763
Cash and cash equivalents, end of the period	19	**$ 201,461**	$ 186,480

The accompanying notes are an integral part of these condensed consolidated interim financial statements

1. Structure of the company

Bird Construction Inc. (the "Company") is a corporation incorporated in the province of Ontario, Canada. The address of the Company's registered office is 5403 Eglinton Avenue West, Toronto, Ontario, Canada. The Company was created for the purpose of facilitating the conversion of Bird Construction Income Fund (the "Fund"), the predecessor of the Company, from an income trust structure to a corporation. The Company entered into an Arrangement Agreement with the Fund on January 1, 2011, whereby the Fund's unitholders transferred their trust units in the Fund to the Company in exchange for common shares of the Company on a one-for-one basis.

The exchange involved entities under common control in which the entities ultimately are controlled by the same shareholders before and after the exchange, and control was not transferred. Accordingly, these unaudited condensed consolidated interim financial statements reflect the financial position at March 31, 2011 and results of operations and cash flows for the three months ended March 31, 2011, as if the Company had always carried on the business formerly carried on by the Fund with all assets and liabilities recorded at the carrying values of the Fund.

The Company, through it subsidiaries and interests in joint ventures carries on business as a general contractor with branches in Halifax, Saint John, Toronto, Winnipeg, Calgary, Edmonton and Vancouver. The Company focuses primarily on construction projects in the industrial, commercial and institutional sectors of the construction industry using fixed priced, design-build, unit price, cost reimbursable, guaranteed upset price and construction management contract delivery methods.

2. Basis of preparation:

(a) Authorization of Interim Financial Statements:
These unaudited condensed consolidated interim financial statements were authorized for issue on June 2, 2011 by the Company's Board of Directors.

(b) Statement of Compliance:
These are the Company's first unaudited condensed consolidated interim financial statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34 "Interim Financial Reporting" and IFRS 1 "First-time Adoption of International Financial Reporting Standards".

(c) Basis of Measurement:
These unaudited condensed consolidated interim financial statements have been prepared using the historical cost convention, except for the valuation of certain financial assets which have been classified as "fair value through profit and loss" instruments and accordingly are measured at fair value except for loans and receivables and other liabilities which are measured at amortized cost.

(d) Use of estimates and judgments:
The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent assets and liabilities at the 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.

Construction revenue, construction costs, deferred contract revenue, and costs and estimated earnings in excess of billings include amounts derived using the percentage of completion method applied to construction contracts. Percentage completion is calculated based on the costs incurred on each construction contract at the end of the respective accounting period divided by the total estimated costs for the contract. To determine the estimated cost to complete the construction contract, judgment, 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 may 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. 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.

Provisions for accounts receivable may require an assessment and estimate of the credit-worthiness of the client and the timing of collections. Furthermore, provisions for litigation involve the use of estimates, as determined by management. Judgment 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.

(e) Adoption of IFRS:
The Company prepares its consolidated financial statements in accordance with generally accepted accounting principles as established by the Canadian Institute of Chartered Accountants ("CICA") and set out in the CICA Handbook. In 2010, the CICA Handbook was revised to incorporate IFRS and now requires the Company to apply these accounting standards to its 2011 interim and annual financial statements. The Company has consistently applied the same accounting policies in the preparation of its opening IFRS Balance Sheet at January 1, 2010 and throughout all periods presented in these interim financial statements. Note 26 outlines in detail the impact of the transition to IFRS.

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are based on IFRS issued and outstanding as of June 2, 2011, the date the Board of Directors approved these statements. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2011 could result in restatement of these condensed consolidated interim financial statements, including the transition adjustments recognized in determining the Company's IFRS transitional balance sheet at January 1, 2010.

These condensed consolidated interim financial statements should be read in conjunction with the Company's previously issued financial statements for the year ended December 31, 2010.

3. Summary of significant accounting policies

The significant accounting principles used in these unaudited condensed consolidated interim financial statements are as follows:

(a) Consolidation:
The unaudited condensed consolidated interim financial statements include the accounts of the Company, its subsidiaries and partnerships, as well as its pro rata share of assets, liabilities, revenues, expenses and cash flows from joint venture operations.

(b) Revenue recognition:
Revenue from fixed price construction contracts is recognized on 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 cost reimbursable contracts is recognized progressively on the basis of costs incurred during the period plus the estimated fee earned. For agency relationships, such as construction management, where the Company acts as an agent for its clients, fee revenue only is recognized, generally in accordance with the contract terms.

Revenue from change orders is recognized to the extent that management estimates that realization is probable. Any excess of progress billings over earned revenue on construction contracts is carried as deferred contract revenue in the financial statements. Any excess of costs and estimated earnings over progress billings on construction contracts is carried as costs and estimated earnings in excess of billings in the financial statements.

Losses from any construction contracts are recognized in full in the period the loss becomes apparent.

(c) Construction costs:
Construction costs are expensed as incurred. Construction costs include all expenses that relate directly to execution of the specific contract, including site labour and site supervision, direct materials, subcontractor costs, equipment rentals, design and technical assistance, and warranty claims. Construction costs also include overheads that can be attributed to the project in a systematic and consistent manner and include general insurance and bonding costs, project management and accounting costs. Construction costs also include expenditures for services which are specifically recoverable from the customer under the terms of the contract.

(d) Bonds and preferred share investments:
Bonds and preferred share investments are classified as financial assets at fair value through profit or loss (see notes 5 and 20), are measured at fair value. The fair value of bonds and preferred share investments are based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Changes in the fair value are recorded in the income statement. Transactions costs are expensed as incurred.

(e) Property and equipment:
Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of property and equipment includes the purchase price and the directly attributable costs required to bring the asset to the location and condition necessary for the asset to be capable of operating in the manner intended by management. The cost of replacing or repairing a component of an item of property and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits will occur and the cost can be measured reliably. The cost of routine maintenance of property and equipment are recognized in the statement of income as incurred. Depreciation of property and equipment over the estimated useful lives of the assets is as follows:

i. Diminishing balance method:	
Buildings	5% and 10%
Automotive and contractor’s equipment	30%
Furniture, fixtures and office equipment	20% - 55%
ii. Straight line method:	
Leasehold improvements	over the lease term

When parts of an item of property and equipment have different useful lives, they are accounted for as separate components of property and equipment and depreciated accordingly. The Company reviews the residual value, useful lives and depreciation methods used on an annual basis and, where revisions are required, the Company applies such changes in estimates on a prospective basis.

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of the gain or loss on disposal of property and equipment in the statement of income.

(f) Foreign currency translation:
Foreign currency transactions and balances are recorded in the accounts as follows:

i. Monetary assets and liabilities at the exchange rate in effect at the balance sheet date;
ii. Non-monetary assets and liabilities at exchange rates prevailing at the time of the transaction;
iii. Depreciation expense at the exchange rate in effect at the time the related assets are acquired; and
iv. Revenues and expenses at the average exchange rate prevailing during the year.

(g) Income taxes:
Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income taxes are recognized for the estimated income taxes payable based on applying enacted income tax rates to the taxable income realized in the current year. Current tax includes adjustments to taxes payable or recoverable in respect of previous years.

Deferred income assets and liabilities are recognized for temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes, as well as for the benefit of tax losses available to be carried forward to future years provided they are likely to be realized. Deferred taxes are recognized using enacted or substantively enacted rates expected to apply in the periods in which the asset is realized or the liability is settled. Deferred taxes are measured on an undiscounted basis. Deferred taxes are presented as non-current. Current tax assets and liabilities and deferred taxes and liabilities are offset only when a legally enforceable right exists to offset current tax assets against current tax liabilities relating to the same taxable entity and the same tax authority.

(h) Basic and diluted earnings per share:
The Company's basic and diluted earnings per share calculation is based on the net income and comprehensive income for the period divided by the weighted average number of common shares outstanding for the period. The amounts reported in these condensed consolidated interim financial statements reflect the three-for-one stock split effected by way of a stock dividend on April 22, 2011.

(i) Medium-term incentive plan:
The Company's Medium Term Incentive Plan (MTIP) is a cash-settled share based payment plan which provides for the granting of phantom shares with share appreciation rights. The phantom shares provide the holder with the opportunity to earn a cash benefit in relation to the value of a specified number of underlying notional shares. MTIP awards vest with the employee on November 30 of the third year following the year to which the award relates. Annually, the Board of Directors determines the amount of the initial award, which is then used to determine the numbers of shares allocated to the employee. The fair value of the phantom shares outstanding at the end of a reporting period is measured based on the quoted market price of the Company's shares. The phantom shares earn notional dividends, equivalent to actual dividends declared on the Company's shares. Compensation expense relating to the initial award, notional dividends and changes in the market price of the phantom shares are recognized on a straight-line basis over the vesting period.

(j) Financial instruments:
Financial assets and liabilities classified as fair value through profit or loss instruments are measured at fair value at each reporting period with any changes in fair value during the reporting period being included in income. Financial assets and liabilities classified as loans and receivables and other liabilities are measured at amortized cost, using the effective interest rate method, which approximates fair value. The Company will recognize changes in the fair value of loans and receivables only if realized, or when an impairment in the value of the asset occurs. The Company has not classified any financial assets or liabilities as held-to-maturity or available for sale (see note 20).

The Company had no "other comprehensive income or loss" transactions during the period and no opening or closing balances for accumulated other comprehensive income or loss.

(k) Goodwill:
Goodwill is the excess of the fair value of consideration transferred for acquired operations over the fair value of the net assets acquired. Subsequently, goodwill is measured at cost less any accumulated impairment losses.

For the acquisition made prior to the January 1, 2010 transition to IFRS, under IFRS 1, the Company has elected not to restate business combinations and accordingly, goodwill is included on the balance sheet on the basis of its deemed cost, which represents the amount recorded under previous Canadian GAAP.

(l) Intangible assets:
Non-competition agreements and customer relationships represent intangible assets acquired in a business acquisition that meet the specified criteria for recognition. These assets are initially recorded at fair value.

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives. The estimated useful lives for the current and comparative periods are as follows:

i.	Non-competition and customer relationships	5 years
ii.	Software	2 – 5 years

The Company reviews the residual value, useful lives, and amortization methods used on an annual basis.

(m) Provisions:
Provisions are recognized when, at the balance sheet date, the Company has a present obligation as a result of a past event, and it is more likely than not that the Company will be required to settle that obligation and the outflow can be estimated reliably. The amount recognized for provisions is the best estimate of the expenditure to be incurred. Where the Company expects some or all of the provision to be reimbursed, for example through insurance, the reimbursement is recognized as an asset only when it is virtually certain of realization. The recoverable amount will not exceed the amount of the provision.

Provisions include:

i. Provisions for potential legal claims relating to the Company's performance and completion of construction contracts. The Company attempts to settle claims within the construction period of the contracts, but a legal claim may take years to settle. At the completion of a project, a provision is recognized when it is more likely than not that a claim will require settlement. The amount recognized is the best estimate of the settlement amount.
ii. Provisions for potential warranty claims relating to construction projects. These claims are usually settled during the project's warranty period. At the completion of a project, a provision is recognized when it is more likely than not that a warranty claim will arise. The amount recognized is measured as the best estimate of the amount required to settle the warranty issue.

(n) Impairment:
Property and Equipment:
The carrying amounts of items included in property and equipment are reviewed for impairment at the end of each reporting period to determine whether there are indicators of impairment. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded in profit and loss to reflect the asset at the lower amount. For property and equipment, the recoverable amount is usually determined by the selling price of the asset less the costs to sell.

Intangible Assets and Goodwill:
Intangible assets and goodwill resulting from business combinations are checked for impairment when there are indicators of impairment or at least annually. These intangible assets are assigned to the cash generating unit ("CGU") associated with the acquisition. The recoverable amount is determined by the cash flows expected to arise from the CGUs discounted using a pre-tax discount rate, which reflects the current market assessments of the time value of money and asset-specific risk. An impairment loss is recognized if the carrying amount of an asset or its CGUs exceeds its estimated recoverable amount. Impairment losses are recognized in profit and loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs, and then to reduce the carrying amount of the other assets in the CGUs.

(o) Joint ventures:
The Company's investments in joint ventures are accounted for using the proportionate consolidation method, whereby the consolidated financial statements reflect, line by line, the pro rata share of each of the assets, liabilities, revenues and expenses and cash flows from the joint ventures.

(p) Finance income and finance costs:
Finance income comprises interest earned on cash and cash equivalents and bonds, accretion of holdbacks receivable, dividend income, gains on disposal of investments and changes in the fair value of financial assets

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classified as fair value through profit and loss. Interest income is recognized as it accrues in the income statement. Dividend income is recognized in the income statement on the date the Company's right to receive the payment is established. Interest income related to holdbacks receivable is recognized in the income statement using the effective interest rate method.

Finance costs comprise interest expense related to holdbacks payable using the effective interest rate method and interest expense related to borrowings, to the extent any exist, using the accrual method.

(q) Business Combinations:
The Company uses the acquisition method of accounting for business combinations. The purchase price includes the fair value of the assets transferred to acquire a subsidiary, the liabilities assumed and the fair value of any equity interest issued by the Company. Acquisition related costs are expensed as incurred. Any excess of the consideration transferred over the fair value of the Company's share of the net assets acquired is recorded as goodwill. For the acquisition made prior to the January 1, 2010 transition to IFRS, under IFRS 1, the Company has elected not to restate business combinations and accordingly, goodwill is included on the balance sheet on the basis of its deemed cost, which represents the amount recorded under previous Canadian GAAP.

(r) Leases:
Leases which transfer substantially all the benefits and risks of ownership of the asset are recognized as finance leases. The asset is capitalized at the commencement of lease for the present value of the minimum lease payments over the term of the lease. The asset is depreciated on a basis consistent with similar owned assets. The offsetting lease obligation is recorded on the balance sheet. The interest element of the lease payments is charged to profit or loss over the term of the lease.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments required under operating leases are charged to profit or loss as incurred.

(s) Cash and cash equivalents:
The Company considers cash, bankers' acceptances and short-term deposits as cash and cash equivalents.

4. Future accounting changes

IFRS 9 Financial Instruments (2010) supersedes IFRS 9 Financial Instruments (2009) and is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. For annual periods beginning before January 1, 2013, either IFRS 9 (2009) or IFRS 9 (2010) may be applied.

The Company intends to adopt IFRS 9 (2010) in its financial statements for the annual period beginning on January 1, 2013. The Company does not expect IFRS 9 (2010) to have a material impact on the financial statements. The classification and measurement of the Company's financial assets is not expected to change under IFRS 9 (2010) because of the nature of the Company's operations and the types of financial assets that it holds.

5. Bonds and preferred share investments

	March 31, 2011	December 31, 2010	January 1, 2010
Investments:			
Preferred shares	$ **15,892**	$ 13,362	$ 8,721
Corporate bonds	**9,149**	16,013	2,949
	$ **25,041**	$ 29,375	$ 11,670

(IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER SHARE AMOUNTS)

6. Accounts receivable

	March 31, 2011	December 31, 2010	January 1, 2010
Progress billings on construction contracts	**$ 119,910**	$ 140,242	$ 116,633
Holdbacks receivable	**65,410**	64,510	76,480
Other	**3,162**	2,389	1,299
	$ 188,482	$ 207,141	$ 194,412

Accounts receivable are reported net of an allowance for doubtful accounts of $129 as at March 31, 2011 ($129 – December 31, 2010)

Holdbacks receivable represent amounts billed on construction contracts which are not due until the contract work is substantially completed and the applicable lien period has expired.

7. Property and equipment

	Land	**Buildings**	**Leasehold improvements**	**Auto and equipment**	**Furniture and office equipment**	**Total**
				March 31, 2011		
Cost	**$ 172**	**3,331**	**2,400**	**11,074**	**1,798**	**18,775**
Accumulated depreciation		**(474)**	**(1,707)**	**(7,337)**	**(1,216)**	**(10,734)**
Net book value	**$ 172**	**2,857**	**693**	**3,737**	**582**	**8,041**
				December 31, 2010		
Cost	$ 172	2,565	2,386	10,903	1,765	$ 17,791
Accumulated depreciation	-	(451)	(1,628)	(7,038)	(1,187)	(10,304)
Net book value	$ 172	2,114	758	3,865	578	$ 7,487
				January 1, 2010		
Cost	$ 172	2,565	2,407	9,865	1,746	$ 16,755
Accumulated depreciation	-	(403)	(1,326)	(5,551)	(1,077)	(8,357)
Net book value	$ 172	2,162	1,081	4,314	669	$ 8,398

	Land	**Buildings**	**Leasehold improvements**	**Auto and equipment**	**Furniture and office equipment**	**Total**
Cost						
Balance January 1, 2010	$ 172	2,565	2,407	9,865	1,746	$ 16,755
Acquisitions	-	535	5	1,368	129	2,037
Disposals	-	(535)	(26)	(330)	(110)	(1,001)
Balance December 31, 2010	$ 172	2,565	2,386	10,903	1,765	$ 17,791
Accumulated depreciation						
Balance January 1, 2010	$ -	403	1,326	5,551	1,077	$ 8,357
Disposals	-	(31)	(26)	(232)	(80)	(369)
Depreciation expense	-	79	328	1,719	190	2,316
Balance December 31, 2010	$ -	451	1,628	7,038	1,187	$ 10,304
Net book value	$ 172	2,114	758	3,865	578	$ 7,487

(IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER SHARE AMOUNTS)

There are no events or circumstances requiring an impairment loss to be recognized in the three months ending March 31, 2011.

8. Intangible assets and goodwill

	Non-competition agreements	Customer relationships	Computer software	Total Intangible assets	Goodwill
	March 31, 2011				
Cost	$ **900**	**1,900**	**1,886**	$ **4,686**	$ **9,294**
Accumulated depreciation	**(570)**	**(1,204)**	**(142)**	**(1,916)**	**-**
Net book value	$ **330**	**696**	**1,744**	**2,770**	$ **9,294**
	December 31, 2010				
Cost	$ 900	1,900	1,664	$ 4,464	$ 9,294
Accumulated depreciation	(525)	(1,109)	(112)	(1,746)	-
Net book value	$ 375	791	1,552	2,718	$ 9,294
	January 1, 2010				
Cost	$ 900	1,900	612	$ 3,412	9,294
Accumulated depreciation	(345)	(729)	-	(1,074)	-
Net book value	$ 555	1,171	612	$ 2,338	$ 9,294

	Non-competition agreements	Customer relationships	Computer software	Total Intangible assets	Goodwill
Cost					
Balance January 1, 2010	$ 900	1,900	612	$ 3,412	$ 9,294
Additions	-	-	1,052	1,052	-
Balance December 31, 2010	$ 900	1,900	1,664	$ 4,464	$ 9,294
Accumulated depreciation					
Balance January 1, 2010	$ 345	729	-	$ 1,074	$ -
Amortization expense	180	380	112	672	-
Balance December 31, 2010	$ 525	1,109	112	$ 1,746	$ -
Net book value	$ 375	791	1,552	$ 2,718	$ 9,294

Goodwill is the result of the acquisition of Rideau Construction in 2008. There are no events or circumstances requiring an impairment loss to be recognized in the three months ending March 31, 2011.

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9. Credit arrangements

	Expiry date					
	2011	**2012 to 2014**	**2015 and greater**	**March 31, 2011**	December 31, 2010	March 31, 2010
Letters of credit	**$ 916**	**34,573**	**7,900**	**$ 43,389**	$ 43,159	$ 15,571

The Company has authorized operating lines of credit totaling $131,500 with two Canadian chartered banks. The lines were drawn for outstanding letters of credit of $43,389 (December 31, 2010 - $43,159).

The letters of credit represent performance guarantees primarily issued in connection with design-build construction contracts related to Public Private Partnership projects. These letters of credit are supported through the hypothecation of certain financial instruments having a market value of $51,581 (December 31, 2010 - $50,456).

10. Income taxes

	Three months ended March 31, 2011	Three months ended March 31, 2010
Provision for income taxes		
Income tax expense is comprised of:		
Current income taxes	**$ 176**	$ 3,104
Deferred income taxes (reduction)	**1,507**	(14)
	$ 1,683	$ 3,090
Income tax rate reconciliation		
Combined federal and provincial income tax rate	**27.9%**	29.6%
Increases (reductions) applicable to:		
Income of the Fund taxed directly to unitholders	**-**	(10.3)
Non-deductible portion of mark-to-market adjustments	**(0.7)**	(0.1)
Effect of changes of valuation allowance	**(0.7)**	(0.1)
Future rate changes	**3.1**	(0.6)
Dividend income	**(0.5)**	(0.1)
Other	**-**	(0.1)
Effective rate	**29.1%**	18.3%

(IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER SHARE AMOUNTS)

Composition of deferred tax assets and liabilities

	Balance March 31, 2011	Balance December 31, 2010	Balance January 1, 2010
Timing of recognition of offering costs	**$ -**	$ -	$ 200
Provisions and accruals	**4,878**	5,585	3,700
Timing of recognition of construction profits	**(1,538)**	(1,067)	(5,516)
Intangible assets	**(264)**	(300)	(443)
Other	**(121)**	85	221
Tax loss carry forward	**1,451**	1,642	1,333
	$ 4,406	$ 5,945	$ (505)
Balance sheet presentation			
Deferred tax asset	**5,458**	4,770	809
Deferred tax asset from discontinued operations	**-**	1,266	1,372
Deferred tax laibility	**(1,052)**	(91)	(2,686)
	$ 4,406	$ 5,945	$ (505)

Movement in temporary differences for the year ended December 31, 2010

	Balance January 1, 2010	Recognized in profit or loss	Foreign Currency Adjustment	Balance December 31, 2010
Timing of recognition of offering costs	$ 200	$ (200)	$ -	$ -
Provisions and accruals	3,700	1,885	-	5,585
Timing of recognition of construction profits	(5,516)	4,449	-	(1,067)
Intangible assets	(443)	143	-	(300)
Other	221	(136)	-	85
Tax loss carryforward	1,333	381	(72)	1,642
	$ (505)	$ 6,522	$ (72)	$ 5,945

The tax loss carry forward expires in 2029.

(IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER SHARE AMOUNTS)

11. Other non-current liabilities

	March 31, 2011	December 31, 2010	January 1, 2010
MTIP liability	**$ 5,855**	$ 6,754	$ 5,484
Less current portion	**3,411**	4,820	1,531
Non-current portion	**$ 2,444**	$ 1,934	$ 3,953

	For the year ended December 31, 2010		
	# of Shares	Share price	Value
Balance January 1, 2010	481,641	$ 11.39	$ 5,484
Annual award of phantom shares	392,367	8.97	3,519
Cash payments of vested shares	(380,493)	10.95	(4,167)
Units awarded - notional distributions	51,327	10.71	550
Change in fair value of phantom shares			1,368
Balance December 31, 2010	544,842	$ 12.40	$ 6,754
	Less current portion		4,820
			$ 1,934

As at March 31, 2011, a total of 781,773 unvested phantom shares are outstanding valued at $9,639 of which $5,855 has been recorded in the accounts of the Company. The number of shares and per share amounts reflect the three-for-one stock dividend approved on March 3, 2011.

12. Shareholders' capital

The Company is authorized to issue an unlimited number of common shares and has issued and outstanding 14,051,282 common shares as of March 31, 2011 and December 31, 2010. The Company is authorized to issue preferred shares in series with rights set by the Directors, up to a balance not to exceed 35% of the outstanding common shares.

	Number of Shares	Amount
Balance, January 1, 2011	-	$ -
Converted on January 1, 2011 from trust units	14,051,282	37,527
Balance, March 31, 2011	14,051,282	$ 37,527

On March 3, 2011, the Board of Directors approved a three-for-one stock split to be effected by way of a stock dividend. Each shareholder of record of the Company on April 14, 2011 received two additional common shares for each common share held on that date. The additional shares were distributed on April 22, 2011.

In 2010, the Company was structured as an unincorporated open-ended, limited purpose investment trust called "Bird Construction Income Fund". The issued and fully paid trust units of the Fund were included in shareholders' equity on the balance sheet and are summarized as follows:

	Number of Units	Amount
Balance, January 1, 2011	14,051,282	$ 37,527
Converted on January 1, 2011 to share capital	14,051,282	37,527
Balance, March 31, 2011	-	$ -

(IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER SHARE AMOUNTS)

13. Provisions

	March 31, 2011	December 31, 2010	January 1, 2010
Warranty claims	**$ 7,852**	7,886	$ 4,762
Legal claims	**5,832**	6,813	1,680
	$ 13,684	14,699	$ 6,442

	Warranty Claims	Legal	Total
Balance January 1, 2010	$ 4,762	1,680	$ 6,442
Provisions made during the period	5,627	7,139	12,766
Provisions used during the period	(813)	(996)	(1,809)
Provisions reversed during the period	(1,690)	(1,010)	(2,700)
Balance December 31, 2010	$ 7,886	6,813	$ 14,699

14. Finance income

	Three months ended March 31, 2011	Three months ended March 31, 2010
Interest and dividend income	**$ 819**	$ 332
Interest income relating to accretion on holdbacks receivables	**295**	405
Realized gain (loss) on investments	**(256)**	10
Unrealized gain (loss) on investments	**310**	129
	$ 1,168	$ 876

15. Finance costs

Interest expense relating to the accretion of accounts payable included in finance costs during the three months ended March 31, 2011 is $213 (March 31, 2010 - $207).

(IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER SHARE AMOUNTS)

16. Leases

Future minimum annual lease payments relating to lease commitments on buildings and equipment over the next five years are:

	Maturities			
	Within 2011	From 2012 to 2015	Beyond 2015	March 31, 2011
Operating leases	$ 1,772	3,911	1	$ 5,684

17. Commitments and contingent liabilities

(a) Commitments:
Outstanding surety lien bonds issued on behalf of the Company in connection with liens by subcontractors and suppliers totaled $7,203 (December 31, 2010 - $7,297).

(b) Contingencies:

i. Various claims and litigation arise in the normal course of the construction business. It is management's opinion that adequate provision has been made for any potential settlements relating to such matters and that they will not materially affect the financial position or future operations of the Company.

ii. The Company is contingently liable for the usual contractor's obligations relating to performance and completion of construction contracts. These include the Company's contingent liability for the performance obligations of its subcontractors. Where possible and appropriate, the Company obtains performance bonds or alternative security from subcontractors. However, where this is not possible, the Company is exposed to the risk that subcontractors will fail to meet their performance obligations. In that eventuality, the Company would be obliged to complete the subcontractor's contract, generally by engaging another subcontractor and the cost of completing the work could exceed the original subcontract price. The Company makes appropriate provision in the financial statements for all known liabilities relating to subcontractor defaults.

18. Related party transactions

Compensation of key management personnel represents the aggregate amounts paid and accrued to members of the Company's Executive and the Company's Board of Directors.

	Year ended December 31, 2010				
	Base Salary	MTIP	Annual Profit Sharing	Other Taxable Benefits	Total
Executive & Directors	$ 1,968	4,351	4,472	107	$ 10,898

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The Executive comprises the following positions

- President & CEO
- CFO and Assistant Secretary
- Vice Chair
- Senior Vice President
- Vice President Operations Central
- Vice President Operations Pacific & Branch Manager
- Vice President Operations Atlantic
- Vice President & Branch Manager
- Vice President Industrial
- Vice President Finance

19. Other cash flow information

		March 31, 2011		March 31, 2010
Changes in non-cash working capital:				
Accounts receivable	**$**	**18,920**	$	1,827
Costs and estimated earnings in excess of billings		**1,292**		2,936
Prepaid expenses and other assets		**159**		108
Accounts payable		**(36,004)**		(2,578)
Deferred contract revenue		**3,658**		(6,052)
Provisions		**(1,015)**		606
Medium term incentive plan		**(1,541)**		(8)
Operating cash flows from discontinued operations		**(633)**		(497)
	$	**(15,164)**	$	(3,658)

Cash and cash equivalents				
Cash	**$**	**179,193**	$	181,380
Bankers' acceptances and short-term deposits		**22,268**		5,100
	$	**201,461**	$	186,480

20. Financial instruments

The Company's cash, bankers' acceptances, and short-term deposits, bond and preferred share investments have been classified as fair value through profit and loss. Accounts receivable are classified as loans and receivables. The Company's bank overdraft, if any, accounts payable, dividends payable to shareholders have been classified as other financial liabilities. The basis of the determination of the fair value of the Company's financial instruments is more fully described in note 3(j).

(IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER SHARE AMOUNTS)

A. Classification and fair value of financial instruments:

Financial Assets at Fair Value through profit or loss

	March 31, 2011	December 31, 2010	January 1, 2010
Cash and Cash Equivalents:			
Cash	$ **179,193**	$ 199,441	$ 174,854
Bankers' acceptances and short-term deposits	**22,268**	18,000	28,909
	201,461	217,441	203,763
Bonds and Preferred Share Investments:	**25,041**	29,375	11,670
	$ **226,502**	$ 246,816	$ 215,433
Loans and Receivables and Other Financial Liabilities:			
Loans and Receivables:			
Accounts receivable	$ **188,482**	$ 207,141	$ 194,412
Other Financial Liabilities:			
Accounts payable	**204,998**	240,789	224,181
Accounts payable of discontinued operations	**-**	633	2,233
Dividends payable to shareholders	**6,955**	2,108	2,108
Other	**0**	0	8
	211,953	243,530	228,530
Total Financial Instruments	$ **203,031**	$ 210,427	$ 181,315

Amortized cost is a reasonable approximation of fair market value due to the short-term nature of these financial instruments.

The following table presents information about the Company's financial assets measured at fair value as of March 31, 2011 and December 31, 2010 and indicates the fair value hierarchy of inputs utilized by the Company to determine such fair value. The hierarchy of inputs is summarized below:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs used in a valuation technique are not based on observable market data in determining fair values of the instruments.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

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	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
		March 31, 2011		
Cash	**$ 179,193**	**$ -**	**$ -**	**$ 179,193**
Bankers' acceptances and short-term deposits	**-**	**22,268**	**-**	**22,268**
Preferred shares	**15,892**	**-**	**-**	**15,892**
Bonds	**-**	**9,149**	**-**	**9,149**
Total Financial Assets through profit and loss	**$ 195,085**	**$ 31,417**	**$ -**	**$ 226,502**
		December 31, 2010		
Cash	**$** 199,441	$ -	$ -	$ 199,441
Bankers' acceptances and short-term deposits	-	18,000	-	18,000
Preferred shares	13,362	-	-	13,362
Bonds	-	16,013	-	16,013
Total Financial Assets through profit and loss	**$** 212,803	$ 34,013	$ -	$ 246,816
		January 1, 2010		
Cash	**$** 174,854	$ -	$ -	$ 174,854
Bankers' acceptances and short-term deposits	-	28,909	-	28,909
Preferred shares	8,721	-	-	8,721
Bonds	-	2,949	-	2,949
Total Financial Assets through profit and loss	$ 183,575	$ 31,858	$ -	$ 215,433

There were no transfers between levels during the period.

B. Risk Management:

In the normal course of business, the Company is exposed to a number of risks related to financial instruments that can affect its operating performance. These risks and the actions taken to manage them are as follows:

i.) Credit Risk:

Credit risk relates to the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet their contractual obligation.

With respect to accounts receivable, concentration of credit risk is limited due to the geographic dispersion of revenues and a diversified customer base. Before entering into any construction contract and during the course of the construction project, the Company goes to considerable lengths to satisfy itself that the customer has adequate resources to fulfil its contractual payment obligations as construction work is completed. If a customer was unable or unwilling to pay the amount owing, the Company will generally have a right to register a lien against the project that will normally provide some security that the amount owed would be realized.

Bankers' acceptances, short-term deposits and corporate bonds are subject to minimal credit risk as they are placed with only major Canadian financial institutions and Canadian corporations with a requisite strong credit rating as issued by rating agencies. As is reasonably practical, these investments are placed with a number of different

(IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER SHARE AMOUNTS)

Canadian financial institutions thereby reducing the Company's exposure to a default by any one financial institution. At March 31, 2011 and December 31, 2010, the Company held no asset backed commercial paper.

The Company has no material impaired receivables. Accounts receivable outstanding for greater than 90 days and considered past due by the Company's management represent 4.7% (December 31, 2010 – 6.2%) of the balance of progress billings on construction contracts receivable at March 31, 2011. Management has recorded an allowance of $129 (December 31, 2010 - $129) against these past due receivables, net of amounts recoverable from others.

	Amounts past due				
	Up to 12 months	**Over 12 months**	**March 31, 2011**	December 31, 2010	January 1, 2010
Trade receivables	**$ 3,597**	**2,141**	**$ 5,738**	$ 8,756	8,734
Impairment	**-**	**(129)**	**(129)**	(129)	(48)
Total Trade receivables	**$ 3,597**	**2,012**	**$ 5,609**	$ 8,627	$ 8,686

The movement in the allowance for impairment in respect of loans and receivables during the period was as follows:

	March 31, 2011	December 31, 2010
Balance, beginning of period	**$ 129**	$ 48
Impairment loss recognized	**-**	81
	$ 129	$ 129

ii.) Liquidity Risk:

Liquidity risk relates to the risk that the Company will not be able to meet its financial obligations as they fall due.

As a component of working capital, the Company maintains significant balances of cash and cash equivalents and investments in liquid securities including corporate bonds. These investments exceed net current liabilities and support surety and contract security requirements related to construction projects. In addition, the Company has authorized lines of credit totaling $131,500, supported by hypothecation of certain financial instruments, with two Canadian chartered banks.

Substantially, all of the Company's obligations are classified as current liabilities, due within one year and are consistent with construction business normal trade terms. As disclosed in note 11, payments required pursuant to the Company's Medium Term Incentive Plan granted in 2008, 2009 and 2010 are due on the vesting dates of November 2011, November 2012 and November 2013 respectively, or upon retirement if earlier.

iii.) Market Risk:

Market risk is the risk that changes in market prices, such as interest rates and equity prices, that will affect the Company's income or the value of its holdings in liquid securities.

As the Company has minimal amounts of interest-bearing debt, the Company's exposure to interest rate fluctuations relative to financial instruments is minimal. The Company is exposed to the risk that the value of corporate bonds will fluctuate due to changes in the prevailing levels of market interest rates. As of March 31, 2011, the Company did not have significant exposure to interest rate risk.

(IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER SHARE AMOUNTS)

The Company has exposure to fluctuations in the market prices of its preferred shares portfolio. Investments are made only in securities authorized in the investment guidelines approved by the Company's Board of Directors. The Company's CFO and CEO must authorize all transactions and detailed reports summarizing the performance of the investment portfolio are made to the Board of Directors quarterly. As at March 31, 2011, a one-percent change in the market price of the investments will change income before income taxes by approximately $159 (December 31, 2010 - $134).

21. Capital disclosures

The Company's capital management objectives are to:

- Ensure that the Company has the financial capacity to support its current and anticipated volume and mix of business and to manage unforeseen operational and industry developments.
- Ensure that the Company has sufficient financial capacity to support the execution of its longer-term growth strategies.
- Provide its investors with the maximum long-term returns on equity and to generate sufficient cash flow to sustain shareholder dividends.

In the management of capital, the Company defines capital as Shareholders' equity. Shareholders' equity is primarily comprised of the Company's working capital.

The Company manages its capital within the investment policy approved by the Board of Directors. The Company makes changes to capital based on changes in business conditions and the mix of construction contracts. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to Company Shareholders, issue new Company shares, and to a lesser degree, may adjust capital expenditures.

As a component of working capital, the Company maintains significant balances of cash and cash equivalents and investments in liquid securities. These cash, cash equivalent and investment balances are intended to cover net current liabilities, fund current dividends payable to shareholders and provide capital to support surety and contract security requirements related to the current and near-term Backlog of construction projects.

Backlog is not a term found in the CICA Handbook. 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.

The amounts of Shareholders' equity and working capital at March 31, 2011 and December 31, 2010 are as follows:

		March 31, 2011	December 31, 2010	January 1, 2010
Shareholders' equity	**$**	**157,794**	160,640	139,755
Working capital	**$**	**135,727**	137,130	124,183

(IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER SHARE AMOUNTS)

22. Joint Ventures

The consolidated financial statements include the proportionate share in joint ventures before inter-party eliminations as follows:

	March 31, 2011	December 31, 2010	January 1, 2010
Balance Sheet:			
Current assets	**$ 44,409**	$ 39,137	$ 76,952
Property and equipment	**84**	88	613
Current liabilities	**28,436**	25,891	48,833
Retained earnings	**16,057**	13,334	28,732

	For the three months ended	
	March 31, 2011	March 31, 2010
Income and Comprehesive Income:		
Construction revenue	**$ 24,274**	$ 34,604
Finance income	**144**	153
Cost of construction	**(21,695)**	(24,338)
Net income	**$ 2,723**	$ 10,419
Statement of Cash Flow:		
Cash flow from operating activities	**$ 2,692**	$ 10,370
Changes in non-cash working capital	**(2,263)**	(1,434)
Cash flow used in investing activities	**(2)**	(9)
Cash flow from financing activities	**-**	(10,000)
Net increase in cash flow	**$ 427**	$ (1,073)

The Company and its joint venture partners have provided contract security in the form of letters of credit, related to the construction activities of the joint ventures The Company has issued letters of credit in the amount of $21,789 (December 31, 2010 - $21,559).

The Company is contingently liable for the obligations of the joint ventures. The assets of the joint ventures are available for the purpose of satisfying such obligations.

The Company provides services of its employees, management services, parental guarantees and letters of credit to the joint ventures. These services were transferred at the exchange amount, agreed to between the parties. The value of services provided by the Company for the three months ended March 31, 2011 is as follows:

Employee Services	Management Services and parental guarantee	Other	Total
$ 1,318	$ 1,097	$ 70	$ 2,485

The Company has accounts receivable from the joint ventures at March 31, 2011 totaling $1,714 (December 31, 2010 - $830).

(IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER SHARE AMOUNTS)

23. Dividends declared with a record date subsequent to the balance sheet date

On March 3, 2011, the Board of Directors declared dividends for the months of April 2011, May 2011 and June 2011, in the amount of $0.055 per share reflecting the impact of the three-for-one share split to be paid as follows:

i) the April dividend will be paid May 20, 2011 to the Shareholders of record as of the close of business on April 29, 2011;
ii) the May dividend will be paid June 20, 2011 to the Shareholders of record as of the close of business on May 31, 2011;
iii) the June dividend will be paid July 20, 2011 to the Shareholders of record as of the close of business on June 30, 2011.

These dividends were not recorded in the unaudited condensed consolidated interim financial statements for the quarter ended March 31, 2011.

24. Personnel costs

Salary and benefits expense of the Company included in costs of construction and general and administrative expense during the three months ended March 31, 2011 is:

Wages, salaries and profit sharing	$21,883
Benefits	4,589
MTIP	660
Total	$27,132

25. Subsequent Event

On May 6, 2011, at the Annual and Special Meeting of Shareholders, the Shareholders of the Company approved the implementation of the Company's Stock Option Plan. The Board of Directors in their sole discretion, select eligible employees to be granted options, the number of options granted, the exercise price, the term of the option and the vesting periods. The number of common shares issuable under the Stock Option Plan shall not exceed 10% of the number of common shares outstanding. At June 2, 2011, no options have been granted under the plan.

26. Explanation of transition to IFRS

These are the Company's first unaudited condensed consolidated interim financial statements prepared in accordance with IFRS.

The accounting policies set out in note 3 have been used to prepare the unaudited condensed consolidated financial statements for the three months ended March 31, 2011, the comparative information presented in these financial statements for the three months ended March 31, 2010, and in the preparation of the opening transitional IFRS balance sheet at January 1, 2010 and December 31, 2010.

In preparing its opening IFRS balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Canadian GAAP. An explanation of how the transition from previous Canadian GAAP to IFRS has affected the Company's financial position, financial performance, and cash flows is set out in the following tables and the notes that accompany the tables.

(IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER SHARE AMOUNTS)

A summary of the change in Shareholders' Equity is:

	December 31, 2010	March 31, 2010	January 1, 2010
Equity – as previously reported under Canadian GAAP	$ 157,374	$ 143,455	$ 135,349
MTIP adjustment	4,417	5,326	6,179
Income tax impact	(1,151)	(1,538)	(1,773)
Equity – as reported under IFRS	$ 160,640	$ 147,243	$ 139,755

Reconciliation of Shareholders' Equity

(In thousands of Canadian dollars)	Note	Previous Canadian GAAP January 1, 2010	Effects of transition to IFRS Presentation	Effects of transition to IFRS Measurement	IFRS January 1, 2010
ASSETS					
Current assets:					
Cash		$ 174,854	$ -	$ -	$ 174,854
Bankers' acceptances and short-term deposits		28,909	-	-	28,909
Bonds and preferred share investments		11,670	-	-	11,670
Accounts receivable		194,412	-	-	194,412
Costs and estimated earnings in excess of billings		4,506	-	-	4,506
Prepaid expenses and other assets		507	-	-	507
Income taxes recoverable	26 a (iii)	-	7,925	-	7,925
Current assets from discontinued operations	26 a (ii)	2,376	(1,372)	-	1,004
Total current assets		417,234	6,553	-	423,787
Non-current assets					
Property and equipment		8,398	-	-	8,398
Deferred income tax asset	26 a (ii), b	2,750	(168)	(1,773)	809
Deferred income tax asset from discontinued operations	26 a (ii)	-	1,372	-	1,372
Intangible assets		2,338	-	-	2,338
Goodwill		9,294	-	-	9,294
Non-current assets		22,780	1,204	(1,773)	22,211
TOTAL ASSETS		$ 440,014	$ 7,757	$ (1,773)	$ 445,998
LIABILITIES					
Current liabilities:					
Accounts payable	26 a (i)	$ 230,622	$ (6,441)	$ -	$ 224,181
Accounts payable from discontinued operations		2,233	-	-	2,233
Deferred contract revenue		53,118	-	-	53,118
Dividends payable to shareholders		2,108		-	2,108
Income taxes payable	26 a (iii)	2,066	7,925	-	9,991
Deferred income tax liability	26 a (ii)	2,855	(2,855)	-	-
Provisions	26 a (i)	-	6,442	-	6,442
Other liabilities	26 b	2,072	-	(541)	1,531
Total current liabilities		295,074	5,071	(541)	299,604
Non-current liabilities					
Deferred income tax liability	26 a (ii)	-	2,686	-	2,686
Other long-current liabilities	26 b	9,591	-	(5,638)	3,953
Total non-current liabilities		9,591	2,686	(5,638)	6,639
UNITHOLDERS' EQUITY					
Unitholders' capital		37,527	-	-	37,527
Retained earnings	26 b	97,822	-	4,406	102,228
Total Unitholders' equity		135,349	-	4,406	139,755
TOTAL LIABILITIES AND UNITHOLDERS' EQUITY		$ 440,014	$ 7,757	$ (1,773)	$ 445,998

Reconciliation of Shareholders' Equity

(In thousands of Canadian dollars)	Note	Previous Canadian GAAP March 31, 2010	Effects of transition to IFRS: Presentation	Effects of transition to IFRS: Measurement	IFRS March 31, 2010
ASSETS					
Current assets:					
Cash		$ 181,380	$ -	$ -	$ 181,380
Bankers' acceptances and short-term deposits		5,100	-	-	5,100
Bonds and preferred share investments		25,667	-	-	25,667
Accounts receivable		193,097	-	-	193,097
Costs and estimated earnings in excess of billings		1,570	-	-	1,570
Prepaid expenses and other assets		399	-	-	399
Income taxes recoverable	26 a (iii)	5,523	5,530	-	11,053
Current assets from discontinued operations	26 a (ii)	1,840	(1,332)	-	508
Total current assets		414,576	4,198	-	418,774
Non-current assets					
Property and equipment		8,110	-	-	8,110
Deferred income tax asset	26 a (ii), b	2,491	1,610	(1,538)	2,563
Deferred income tax asset from discontinued operations	26 a (ii)	-	1,332	-	1,332
Intangible assets		2,286	-	-	2,286
Goodwill		9,294	-	-	9,294
Non-current assets		22,181	2,942	(1,538)	23,585
TOTAL ASSETS		$ 436,757	$ 7,140	$ (1,538)	$ 442,359
LIABILITIES					
Current liabilities:					
Accounts payable	26 a (i)	$ 228,859	$ (7,048)	$ -	$ 221,811
Accounts payable from discontinued operations		1,241	-	-	1,241
Deferred contract revenue		47,066	-	-	47,066
Dividends payable to shareholders		2,108		-	2,108
Income taxes payable	26 a (iii)	-	5,530	-	5,530
Deferred income tax liability	26 a (ii)	2,820	(2,820)	-	-
Provisions	26 a (i)	-	7,048	-	7,048
Other liabilities	26 b	1,937	-	(539)	1,398
Total current liabilities		284,031	2,710	(539)	286,202
Non-current liabilities					
Deferred income tax liability	26 a (ii)	-	4,430	-	4,430
Other long-current liabilities	26 b	9,271	-	(4,787)	4,484
Total non-current liabilities		9,271	4,430	(4,787)	8,914
UNITHOLDERS' EQUITY					
Unitholders' capital		37,527	-	-	37,527
Retained earnings	26 b	105,928	-	3,788	109,716
Total Unitholders' equity		143,455	-	3,788	147,243
TOTAL LIABILITIES AND UNITHOLDERS' EQUITY		$ 436,757	$ 7,140	$ (1,538)	$ 442,359

Reconciliation of Shareholders' Equity

(In thousands of Canadian dollars)	Note	Previous Canadian GAAP December 31, 2010	Effects of transition to IFRS: Presentation	Effects of transition to IFRS: Measurement	IFRS December 31, 2010
ASSETS					
Current assets:					
Cash		$ 199,441	$ -	$ -	$ 199,441
Bankers' acceptances and short-term deposits		18,000	-	-	18,000
Bonds and preferred share investments		29,375	-	-	29,375
Accounts receivable		206,109	1,032	-	207,141
Costs and estimated earnings in excess of billings		2,539	-	-	2,539
Prepaid expenses and other assets		655	-	-	655
Income taxes recoverable	26 a (iii)	-	295	-	295
Deferred income tax	26 a (ii)	4,265	(4,265)	-	-
Current assets from discontinued operations	26 a (ii)	1,266	(1,266)	-	-
Total current assets		461,650	(4,204)	-	457,446
Non-current assets					
Property and equipment		7,487	-	-	7,487
Deferred income tax asset	26 a (ii), b	1,565	4,356	(1,151)	4,770
Deferred income tax asset from discontinued operations	26 a (ii)	-	1,266	-	1,266
Intangible assets		2,718	-	-	2,718
Goodwill		9,294	-	-	9,294
Non-current assets		21,064	5,622	(1,151)	25,535
TOTAL ASSETS		$ 482,714	$ 1,418	$ (1,151)	$ 482,981
LIABILITIES					
Current liabilities:					
Accounts payable	26 a (i)	$ 254,456	$ (13,667)	$ -	$ 240,789
Accounts payable from discontinued operations		633	-	-	633
Deferred contract revenue		50,078	-	-	50,078
Dividends payable to shareholders		2,108		-	2,108
Income taxes payable	26 a (iii)	6,894	295	-	7,189
Provisions	26 a (i)	-	14,699	-	14,699
Other liabilities	26 b	5,689	-	(869)	4,820
Total current liabilities		319,858	1,327	(869)	320,316
Non-current liabilities					
Deferred income tax liability	26 a (ii)	-	91	-	91
Other long-current liabilities	26 b	5,482	-	(3,548)	1,934
Total non-current liabilities		5,482	91	(3,548)	2,025
UNITHOLDERS' EQUITY					
Unitholders' capital		37,527	-	-	37,527
Retained earnings	26 b	119,847	-	3,266	123,113
Total Unitholders' equity		157,374	-	3,266	160,640
TOTAL LIABILITIES AND UNITHOLDERS' EQUITY		$ 482,714	$ 1,418	$ (1,151)	$ 482,981

Reconciliation of comprehensive income for the three months ended March 31, 2010

(In thousands of dollars)

	Note	Canadian GAAP	Effect of transition to IFRS: Presentation	Effect of transition to IFRS: Measurement	IFRS
Construction revenue		$ 181,626	$ -	$ -	$ 181,626
Investment and other income	26 a (v)	876	(876)	-	-
Cost of construction	26 a (iv)	-	155,853	188	156,041
Gross profit		182,502	(156,729)	(188)	25,585
Construction costs and general and administrative expenses	26 a (iv)	164,065	(164,065)	-	-
Amortization	26 a (iv)	684	(684)	-	-
General and administrative expenses	26 a (iv), b	-	8,689	664	9,353
		17,753	(669)	(852)	16,232
Finance income	26 a (v)	-	876	-	876
Finance costs	26 a (v)	-	(207)	-	(207)
Income before income taxes		17,753	-	(852)	16,901
Income tax expense	26 b	3,324	-	(234)	3,090
Net income and comprehensive income for the period		$ 14,429	$ -	$ (618)	$ 13,811
Basic and diluted earnings per unit (1)		$ 0.34	$ -	$ (0.01)	$ 0.33

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

Reconciliation of comprehensive income for the year ended December 31, 2010

(In thousands of dollars)

	Note	Canadian GAAP	Effect of transition to IFRS: Presentation	Effect of transition to IFRS: Measurement	IFRS
Construction revenue		$ 842,031	$ -	$ -	$ 842,031
Investment and other income	26 a (v)	3,853	(3,853)	-	-
Cost of construction	26 a (iv)	-	750,468	2,531	752,999
Gross profit		845,884	(754,321)	(2,531)	89,032
Construction costs and general and administrative expenses	26 a (iv)	785,647	(785,647)	-	-
Amortization	26 a (iv)	2,990	(2,990)	-	-
General and administrative expenses	26 a (iv), b	-	37,435	(770)	36,665
		57,247	(3,119)	(1,761)	52,367
Finance income	26 a (v)	-	3,853	-	3,853
Finance costs	26 a (v)	-	(734)	-	(734)
Income before income taxes		57,247	-	(1,761)	55,486
Income tax expense	26 b	9,930	-	(619)	9,311
Net income and comprehensive income for the period		$ 47,317	-	$ (1,142)	$ 46,175
Basic and diluted earnings per unit [1]		$ 1.12	$ -	$ (0.02)	$ 1.10

[1] adjusted for the April, 2011 three-for-one stock split

Notes to the reconciliations

IFRS 1 Election

Under IFRS 1, the Company has elected not to restate business combinations that occurred before the date of transition. Accordingly, transactions costs have not been expensed but continue to be recognized as part of the consideration paid. As a condition of this exemption, goodwill relating to business combinations that occurred prior to the date of transition was tested for impairment. No impairment existed at the date of transition.

a) Presentation differences

i. In accordance with IAS 37 – Provisions; Warranty and legal provisions previously included in accounts payable are now separately disclosed on the balance sheet.

ii. In accordance with IAS 12 – Income Taxes; Deferred taxes previously shown as a net asset or net liability on a consolidated basis are now presented as a non-current asset or a non-current liability grouped by net position by legal entity.

iii. In accordance with IAS 12 – Income Taxes; Current taxes previously shown as a net asset or net liability on a consolidated basis are now presented as a current asset or a current liability grouped by net position by legal entity.

iv. In accordance with IAS 11 – Construction contracts; Construction costs, general and administration expenses were previously combined in the income statement. Construction costs and general and administration expenses are now separately disclosed in the income statement. Gross profit is now shown. Amortization costs are now included in general and administration expenses.

v. In accordance with IAS 1 – Presentation of Financial Statements; Finance income and finance costs are now separately disclosed in the income statement.

b) Measurement differences

The Company's MTIP program is a cash settled award based on the market price of the phantom shares accumulated under the terms of the plan.

Compensation expense relating to the MTIP will be measured based on the fair value of the phantom shares which is not significantly different than the intrinsic method utilized under Canadian GAAP. Compensation expense in aggregate is comprised of the value of the phantom units on grant date plus changes in the market price of the Company's shares and notional distributions awarded over the vesting period. The compensation expense relating to the MTIP, under IFRS, will be amortized on a straight-line basis over the vesting period. Under Canadian GAAP, compensation expense was recognized in the period performance was rendered by the employee except for changes in future market price changes and notional distributions awarded which were recognized in the period they occurred.

c) Consistent with the Company's accounting policy choice under IAS 7, Statement of Cash Flows, income taxes paid in the three months ended March 31, 2010 of $10,692 are presented within cash flows from operating activities on the Statement of Cash Flows, whereas they were previously disclosed as supplementary information. There are no other material differences between the statement of cash flows presented under IFRS and the statement of cash flows presented under previous Canadian GAAP.