

MARKETWIRED

Moderator: Isabelle Adjahi
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Operator: This is conference #: 54109894.

Bonjour Mesdames et Messieurs.
Good afternoon ladies and gentlemen.

Bienvenue a la conference telephonique sur les resultats financiers du deuxieme trimestre de l'annee 2015 de WSP. Welcome to the WSP Second Quarter of 2015 conference call. I would now like to turn the meeting over to Isabelle Adjahi, Vice-President, Communications and Investor Relations. A vous la parole. Please go ahead Ms. Adjahi.

Isabelle Adjahi: Thank you and good afternoon. First I would like to thank you for taking the time to join the call today. Today we intent to discuss our Q2 performance and we will provide you with an update on our operations and financial performance during the second quarter. We will follow this discussion by a Q&A session.

Joining me today are Pierre Shoiry, our President and CEO and Alex L'Heureux our CFO.

Please note that we would be recording the call and we will make it available on our Web site tomorrow. Before I turn things over to Pierre, I just want to mention that we maybe making some statements today that could be forward-looking ant that actual results could be different from those expressed or

implied. We disclaim any intent to update or revise any of these forward-looking statements.

I would now like to turn the phone over to Pierre. Pierre

Pierre Shoiry: Thank you Isabel and good afternoon everyone and welcome to this conference call. We are quite satisfied with our second quarter results as we continue to see exciting momentum in most of our business areas. As you will see from Alex's comments later on, we perform strongly in many of our key financial metrics, we continue to deliver good organic growth and maintain solid margins.

These results clearly speak to the strength of our underlying business. As we have anticipated the merger of our two entities WSP and Parsons Brinckerhoff created numerous cross selling revenue synergies and enhanced opportunities for both employees and clients. We have already identified well over a 100 million in fees worldwide as a direct results of our collaboration and the coming together of our two firms.

Our solid backlog and important recent wins also demonstrate the depth of our employees technical expertise and the ongoing collaboration of our teams across the globe. Operationally the overall performance in most countries was on target. As anticipated, the results of our Canadian operations reflected contraction in western Canada notably in the geomantic segment where performance continued to be eroded by soft market conditions in the oil and gas sector. However, our teams are actively working to diversify the revenue stream in other markets.

In the facilities and pipeline segments, although we have been affected by the slowdown of activities, we believe we have been declining at a rate slower than that of the market and are actively working hard to maintain a good position with our existing and new customers which should be beneficial once the market recovers. Overall organic growth in Canada was negative 6.1 percent, we did however continue to see encouraging signs in Quebec and Ontario which posted combined organic growth of 8 percent on a standalone basis.

Also our national and environment power and telecom business lines also had a good positive organic growth. However, this positive trends will not be enough to offset the expected continued slowdown over geomatics in oil and gas business in Alberta. Thus we anticipate negative organic growth and lower margins in Canada for the remainder of the year.

On the project front we want an important mandate from the Quebec ministry of energy and natural resources to provide engineering, project management, and construction supervision services for the restoration of the decommissioned (Mine Pricipale) in Chibougamau, Quebec. In addition our national rail team was awarded the 10 year systems design and management services contract for the Scarborough extension of the Toronto subway system.

Moving to the U.S. market conditions were stable and we posted a good 4.5 percent organic growth. We lasso continued to benefit from strong activity in the building sector and from higher utilization rates. We also secured a number of major contracts in the U.S. during the second quarter including the California high-speed rail project.

We estimate that this project management assignment which will run through 2022 will generate up to 700 million U.S. in revenues for our firm. Another project win was the redevelopment of LaGuardia Airport, and this project will generate about 70 million U.S. in fees for WSP over the next three years and demonstrates our combined capabilities in both the air side and land side parts of aviation facilities. Of note, the near term commitments of these projects have yet to be included in our hard backlog.

In Columbia growth was slower than previous quarters mainly due to the completion of a major contract. The performance was still solid despite the contraction in our national resources related services. However, we maintain a positive view on this country where major infrastructure investments are planed.

Moving across the Atlantic, we have our India operations which include the U.K., the Nordics, central Europe, Middle East, India, and Africa. In the U.K.

we posted strong 8.6 percent organic growth with solid EBITDA margins driven by high utilization rates and increased building volume. In collaboration with our experts from the U.S. and the Middle East, our U.K. operations have been commissioned to provide engineering consulting services for the next stage of the Royal Atlantis Resort & Residences in Dubai.

In the U.K. the infrastructure market also continue to be active with numerous opportunities in the rail and highway sectors and an increase in CAPEX spending is anticipated in the power sector. In the Nordics, we continue to perform very well particularly in our Swedish market where we achieve 12.9 percent organic growth and recently successfully completed three acquisitions.

As part of the consortium that includes Faveo our most recent acquisition, we were tasked by the Swedish Transportation Administration with the upgrade of one of the country's most important railway connection between Malmo and Stockholm. Finish operations were stable despite a soft market and recent wins and a slow recovery of the industrial and energy related projects should provide for a stronger second half of the year. In Norway with the acquisition of Faveo, we will now have a 100 percent owned platform which will contribute to our top line revenue growth for the second half of the year.

Moving to central Europe France, Germany, and Poland, the market remains stable and delivered as expected. And in the building sector our French team is currently working on proposals for six P3 projects in the healthcare and higher education sectors which should lead to additional work in the coming months.

The Middle East also provided good growth and posted a very strong 29.4 percent organic increase. A healthy hard backlog continues to support our operations in that region we're opportunities remain strong. We were recently awarded the one (Zabeel) tower project in Dubai and other signature project which involves the constructions of two towers linked by suspension bridge between Dubai's world trade center and (Zabeel Park). Lastly, in India, performance is tracking positively in South Africa as we posted 14.6 percent

organic growth mainly generated by as stronger property and industrial market.

Now to our other regions which is Asia Pacific. In Asia we posted 11.1 percent organic growth with good performance in Singapore and China. Integration of the Parsons Brinckerhoff and WSP teams is progressing very well. And we recently purchased – completed the purchase of the 51 shares that we did not own in our Singapore affiliate (WSP Ng). We now have a combined workforce of 500 people in Singapore.

Although we anticipate a solid performance in Asia for the remainder of the year, we expect economy to growth more slowly than in previous years. And this is reflected in the building sector where we see developers that have started to adapt a more cautious stance on new investments. On the plus side our global connectivity strategy is starting to generate potential development opportunities with outbound Asian developers whom we intent to support in their international expansion.

And lastly in APAC, our legacy WSP business in Australia posted very strong 29.1 percent organic growth driven by strong demand in buildings and very good revenue synergies provided by the structural firm Winward which we acquired last year. Our transportation group also secured very important project, the 155 kilometer Pacific highway upgrade project in collaboration with (Lane Moroque). This win which stands to generate up to 150 million Australian dollars and fees over the next five years was a major achievement for the Australian team during the quarter.

Also at the end of the quarter, our team was recommended for the development of the (Queenswork) a major residential project in Brisbane that should generate fees in excess of 25 million Aussie dollars for a structural and mechanical and electrical teams. On the M&A front we were very pleased to monetize our minority investment in (Multiconsult) through a successful IPO on the Oslo stock exchange which generated gross proceeds of 97 million.

And we quickly partially reinvested in the acquisition of three firms in the Nordic countries Faveo, a reputable project management firm witch will now

serve as our platform for growth in Norway, and (SLK and Visicom) in Sweden. These brings our total workforce in the Nordic region to 3,800 people.

Shortly after the end of the quarter we also completed the acquisition of Levelton in Canada which strengthen our environment position in western Canada and grows our Canadian environment team to over a hundred, a thousand hundred employees. Going forward our acquisition strategy will continue to focus on expanding our technical expertise in our operating sectors and adding to our service offerings in existing countries while remaining open to opportunities (in underserved NU regions).

At our annual AGM meeting last May, we presented our 2015- 2018 strategic plan which focuses on clients, employees, operational excellence, and expertise. Our objective is to solidify our global reputation in order to always be the first choice for clients and partners and employees.

As you have seen we have set the bar high, by the end of 2018 we want to reach to following targets 45,000 employees, 6 billion in net revenues including 5 percent annual organic growth and 1.3 billion in net revenue through acquisitions as well as an 11 percent EBITDA margin on net revenues. In our view this strategic plan is not just about getting bigger, it's about getting better with a view to becoming recognized leaders in our sectors, and in all countries in which we operate.

It's also about gaining and sharing knowledge growth or global network in serving our clients better. We are already on track in the execution of this plan and believe that the current market and industry dynamics are favorable. I will now ask Alex to provide some comments on our financial results.

Alex L'Heureux: Thank you, Pierre, and good afternoon everyone. As Pierre mentioned we are please with our quarterly performance as we deliver strong organic growth and bottom-line results.

Revenues and net revenues were approximately 1,497.2 million and 1,088.9 million respectively, 148.5 percent and 112.2 percent mainly as a result of business acquisitions. Global organic growth amounted to 13.8 percent, this

figure consisted a 5 percent organic growth on a constant currency basis and 8.8 percent increase as a results of favorable foreign exchange tailwind.

On a year-to-date basis constant currency organic growth stood at a robust 8.2 percent. EBITDA was 106 million up 51 million or 92.7 percent and in line with our previously disclosed outlook. Our EBITDA margins stood at a 9.7 percent of net revenues.

Overall we are very pleased wit the performance of the underlying business, our aggregate margin is slightly up in Q2 2015 virus the same period in the 2014 and stable year-over-year. The increase in group cost in Q2 2015 versus Q2 2014 was due but not limited to the acquisition of Parsons Brinckerhoff in Q4 2014 and an increase in provision related to our long-term incentive plan.

On a year-to-date basis, the increase in 2015 corporate cost versus 2014 was due to the settlement in our favor in 2014 of a legal claim. This was a non recurring event which significant decrease 2014 group cost as a percentage of net revenues. We estimate our going forward run rate for group cost to range between 17 and 18 million Canadian dollar per quarter for the remainder of 2015 at current exchange rates.

Our net earnings attributable to shareholders excluding non-underlying items, net of income taxes stood at 45.8 million or 51 cents per share up 74.1 percent and 18.6 percent respectively. The 47.2 million in non-underlying item included among others 69.7 million gain realized on the sale of (Multiconsult) partially offset by 19.3 million in integration cost related to the acquisition of Parsons Brinckerhoff.

Now turning to cost synergies related to the Parsons Brinckerhoff transaction. To date since the closing of the transaction, we have incurred approximately \$16 million U.S. or approximately 20 million Canadian. And cost that will lead to a recurrent annual – those cost, I'm sorry, will lead to recurrent annual savings. This is in line with our estimate of \$25 million U.S..

The large proportion of this summer relates to workforce reduction and property related cost. We remain confident that we will meet the objective of

12.5 million U.S. in annual savings this year, and a total of 25 million U.S. annual savings by the end of 2016. Now I'd like to turn to the balance sheet.

Active working capital management in light of business seasonality continue to be our ongoing focus. Day sales outstanding stood at 85 days which is stable compared to last quarter and three days higher than last year.

Incorporating full 12 months EBITDA for all acquisition, our net debt to EBITDA ratio decreased to 1.8 times in line with our 1.5 to two times target range.

As well during the quarter we increase our credit facility by \$200 million U.S. to \$1.4 billion U.S.. We intent to use the credit facility mainly for financing business acquisition – financing business acquisition in order to execute on our 2015-2018 strategic plan. We intend on remaining active on the acquisition market over the coming quarters. Our backlog is solid at 4.6 billion which represents approximately 9.5 months of revenues. This figures –this figure does not include the major awards mentioned by Pierre as those contract wins will be included in our hard backlog once they have been formally signed and or funding have been designated.

Given the 49.6 percent participation and dividend reinvestment plan, our cash payout ratio on EPS in this quarter including non-operating expenses stood at 37 percent. The company has declared quality dividend of 37.5 cents per share payable on or about October 15th to shareholders on record on September 30, 2015. Overall our second quarter results were in line with our expectation, as a result we are reconfirming our 2015 outlook. Pierre.

Pierre Shoiry: Thank you Alex. So in conclusion we believe in the strength of our business model and the effectiveness of our growth strategy. We remain focused on driving organic growth, leveraging our global know how, and wining work. We will also continue to enrich our global network with professional services firms with complementary expertise and culture.

I'd like now to open the session for questions.

Operator: Ladies and gentlemen, we will now conduct the question-and-answer session. If you would like to ask a question, please press star followed by the number

one on your telephone keypad. If your question has been answered and you would like to withdraw your registration, please press the pound key. Thank you.

One moment please for your first question.

Your first question comes from the line of Mona Nazir with Laurentian Bank. Your line is open.

Mona Nazir: Good afternoon guys and congrats on the great quarter.

Pierre Shoiry: Thank you Mona

Alex L'Heureux: Thank you Mona.

Mona Nazir: So just looking at EBITDA margin, it was very strong in the quarter. And I don't know if you could disclose this, but if we just look at the Parsons' margin, it was around 7 percent when you purchased it, and I'm just wondering how Parsons' margins are looking at this point in time, I'm just trying to see if the strong sequential improvement of margins is due to Parsons?

Pierre Shoiry: OK. Mona first comment, it's always difficult to draw conclusions on margins on a quarterly basis and I've repeated that consistently, we try to look at them at a yearly basis. But clearly I think the upside in the Parsons Brinckerhoff acquisition is trying to drive margins to level similar to our margins in some countries. But in the U.S. the Parsons Brinckerhoff business is doing very well, very strong the performance in terms of margins. I think there's progression in Australia, a good progress in Australia in terms of margins improvement and there's also improvements in the U.K.. But overall I think we're going in the right direction.

Mona Nazir: And just following on that I know you had stated in your 2015-2018 plan that you're planning to get to margins of greater than 11 percent, how do we think about that ramp in margins, do you think it will be more even, or do you think it will front-end waited or back-end waited through those three years?

Pierre Shoiry: Listen, our objective is to do them – is to improve the business as quickly as possible. But you know improving margins is you need also sometimes a bit of help from the markets. And in the global business there's always the balance of between regions.

But clearly if we look at when we merge with WSP in 2012, you know, our strategy 2012-2015 was to get margins to 11.5. And the legacy WSP business last year we were we were at 11.4 if I remember a year ahead of plan. So the idea is to – right now the focus in the company is to drive organic growth and find ways to improve margins and run, you know, do a better integration, and better utilization rates, and other operational goal that we set in the company. But this is an ongoing process and we expect to be able to achieve this over the next three years.

Mona Nazir: OK, perfect. And just secondly here, in Canada the economic contraction related to oil prices that we've seen the first half of the year is expected to turn to a modest growth in the back half. I'm just wondering from what you're seeing and as we are into Q3, do you think that 6 percent contraction in Canada is stable or could it improve from here?

Pierre Shoiry: I think we're going to, you know, if you're – I don't think it's going to get better, I think it could define some more until you hit a (trough) in western Canada, I don't think we're quite there yet. But hopefully other sectors and other geographies will be able to compensate.

I can tell you that in western Canada our team are working very hard to make sure that we try to pickup as much of the market, the existing market that there is out there. They're trying to diversify our geomatics in other sectors and we're confident that we'll be able to ride through this, you know, in good form. But I won't expect this 6 percent client to get any better in the next quarter or so.

Mona Nazir: OK. And just lastly for me here. Just wondering if you could speak about the opportunities in Scandinavia, in Northern Europe, I know you announced three acquisitions there in June, one opening the door to Norway. I just wondered if you could go over the rationale, was it the fact that you divested

from (Multiconsult) and wanted to keep the exposure to the region or did you see increased opportunity there and demand and you would have bought those companies regardless of what happened with (Multiconsult)?

Pierre Shoiry: Oh, I think the plan is – clearly the plan, we have a very dynamic plan and dynamic team in the Nordics . We are a very strong player in that region and Sweden were at the top three player. In Finland we see opportunities to grow our business, we now have a business in Denmark with Parsons Brinckerhoff which sets very interesting mandates on the rail side in Copenhagen.

And in Norway we wanted to have a strong presence and that our model is not to own participations in companies. it's to have 100 percent ownership. So we couldn't have 100 percent ownership in (Multiconsult) so we try to maximize our value and we currently want to invest in that country because we already have a very strong brand in the Nordics and we see this as a good growth market for us. And our strategy is to increase by 2018 to drive that business up to over 5,000 people, so it's going to come through organic initiatives and M&A.

And what's really interesting is that 12.9 or around 12 percent organic growth in Sweden is very good. And we have, you know, we have a good market position in Nordics, we like the opportunities, the infrastructure segments, markets are strong, a lot of rail projectors, lot of highway and transit as well as buildings. So for us it's a core market.

Mona Nazir: OK, thank you.

Alex L'Heureux:

Operator: Your next question comes from the line of (Benoit Pwahi with Desharden) Capital. Your line is open.

(Benoit Pwahi): Yes, good afternoon everyone and congrats for the good quarter. Just to comeback on the EBITDA margin in the Americas, obviously a very strong performance. Just when we look at Q3 last year also was very strong, should we expect Q3 to be kind of similar and was the margin improvement boosted

from the fact that the utilities contract in Columbia were mostly completed?
Was there some impact?

Pierre Shoiry: No, I think our U.S. business had a solid quarter and as I responded to Mona, there's always some timing issues on certain projects and you have to look at it on a yearly basis to really see the underlying performance of a company. But the outlook is quite good and overall in the Americas and the U.S. and Columbia business specially you mentioned Q3, Q3 is a solid quarter specially everything relates to transportation, you know, seasonality at its best. While other countries is slower like in we're talking earlier about the Nordic countries a lot of off time in the Nordics in July and August where as we normally see good productivity in the U.S. business. So we were expecting a good solid quarter in Q3 in the U.S. (Benoit)

(Benoit Pwahi): OK, OK, that's very good color. And was the contribution from utilities contract in Columbia was kind of how sizable was the impact in Q3 and Q4 last year?

Pierre Shoiry: Yes. This is a major project that we have won a few years back for the ministry of national resources, it was a large inventory of the mining related facilities in Columbia so it's a multi year, multi million obviously contract that came to an end. So it's just I think that the fact that we need a – that's why we had a slight contraction in Columbia in terms of revenues because this project is fished. But now we're filling back the order book and we expect to get back to organic growth trajectory in Columbia.

(Benoit Pwahi): OK.

Pierre Shoiry: There's a lot of infrastructure investment in that country and we're pulling together now, what's interesting is we're pulling together the expertise of both WSP and Parsons Brinckerhoff in this country which hopefully will position us well on major rail and transit projects in the cities, in the major cities in Columbia.

(Benoit Pwahi): OK. And just in terms of integration cost you're running at 22 million year-to-date, I would assume that the bulk is related to PB, and you were looking for about 12.5 million of synergies U.S.. Does it mean that you're mostly

done with PB this year or it's basically because there's also other acquisition that are taking part of the 22 million Pierre?

Pierre Shoiry: I'll let ale answer this.

Alex L'Heureux: The first question, to answer your first questing (Benoit), yes, you're right, the vast majority of those cost are in relation to PB but we've done also some other acquisition this year so – but we are maintaining our outlook on integration cost, cost synergies. There will be a bit more, I expect there will be a bit more in the second half of this year in term of integration cost.

Some that will be leading to cost synergies and some others that will not, that's just part of putting two – to combine two significant businesses together. So I would expect more in Q3 certainly and, you know, at that time I will be able to give more guidance about Q4 and Q3.

(Benoit Pwahi): OK. And just in terms of liquidity you ended the quarter very, very strong balance sheet, you also improve your – Increase your credit facility by 200 million, you received proceeds from (Multiconsult). So, is it because you feel that the M&A opportunities are getting greater these days or do you see the potentially for maybe a more of a transformational deal or how would you characterize the outlook?

Pierre Shoiry: As I said a bit earlier the dynamics, I feel the dynamics in our industry are favorable right now, there's certainly the consolidation trends are continuing. And I don't see a decrease in this. And we have a pretty, we have a very attractive platform now, you know, global platform and certainly drawing a lot of interest from a potential acquisition target. So it's difficult to comment on the timing of acquisition but it's still a very important part of our strategy. And so want to have a good solid balance sheet which is enables us to react quickly and be able to transact and continue our plan.

(Benoit Pwahi): OK, thank you very much for the time. Thanks.

Operator: Your next question comes from the line of Roman Trusz with Canaccord. Your line is open.

Roman Trusz: Hi it's Roman Trusz calling for (Gary Link). Just have a question on guidance, just wondering from what's keeping you from increasing it? On a trialing basis EBITDA it's already comfortably within the range and the FX is much lower now. So just wondering what might bring EBITDA to lower end?

Pierre Shoiry: Listen, you know, when you provide the guidance for the year, it's not usually a habit that we have to provide guidance, and we did it twice, we did it when we did the WSP acquisition because it was a material acquisition. We did the same thing with the PB after the actuation because it was with the merger . With Parsons Brinckerhoff now we did it – we did the same thing. So, you know, we gave an outlook so we're reiterating that outlook. But we don't want to start to modify outlooks on a continued basis Roman.

Alex L'Heureux: And the answer is we're also six months in the year and this is a new combination for WSP and PB so I think we're reiterating the outlook but as Pierre mentioned we're not changing it.

Roman Trusz: OK. And I guess my second question is just looking at the organic growth in the Americas over the last couple of quarters, I'm just wondering what's behind the slowdown, it's just for comps, and kind of how the Parsons Brinckerhoff tracking for the growth within it?

Pierre Shoiry: As I mentioned in the previously calls this year the organic growth that we're reporting is basically there legacy WSP business because the Parsons Brinckerhoff goes under organic growth acquisition growth. Whereas next year will have a base to really complement on the organic growth of the combined business and won't be an acquisition.

In the Americans this quarter U.S. was – so we're comparing the U.S. business legacy WSP business to the year-over-year, and the organic growth is 4.5 percent which is good. First quarter was a bit higher than that but in the activity in the legacy business in both building environment and transportation is very good. And what impact the Americas this quarter is that Columbia is about 11 percent decline year-over-year related to the end of that (inaudible) project that we talked about.

Roman Trusz: OK, thank you.

Pierre Shoiry: Welcome.

Operator: Your next question comes from the line Frederic Bastien with Ramon James.
Your line is open.

Frederic Bastien: Bonjour. Guys can you provide additional color on the more than \$100 million of anticipated fees you have identified from cross selling revenue synergies, I'm just wondering if there are any specific regions or markets that are expected to benefit from these synergies?

Pierre Shoiry: That's a good question, I'm glad you bring it up. You know, this transaction of combination of Parsons Brinckerhoff and WSP for us was a revenue synergy deal. And we're seeing great collaboration between the teams, both companies have a very strong collaborative culture, and the people are sharing information, and clients, and cross selling across the world.

And in Australia they're actually monitoring ,you know, the projects that are, you know, new wins that we're winning. Because and we have, you know, I think the last count we're over 70 million Aussie dollars. In the U.K. they're doing the same, monitoring opportunities and new work, and we were well above 50 million pounds over there.

So, you know, clearly we're seeing more of this cross selling in Australia, in the U.K., in the U.S. because that's where we have the merger, the merge entities were the biggest. But clearly, you know, the we anticipate to continue this effort and we're really tracking it. And part of our strategic plan is around organic growth and we have identified in each country 10 strategic cross selling initiatives that we're focusing on and such as we talk about the LaGuardia Airport that we won.

Well, the LaGuardia airport is a prime example where we were – we had – before the merger, we had a team, WSP was on the building side and Parsons Brinckerhoff was on the project management and land side and the runway side and we want a job. But for future project sand airport facilities we have fully integrated air side and land side capabilities and these are the such as a one initiatives that we identified but we believe that there is – there are

numerous more opportunities. And we'll give more color on this at the yearend.

Frederic Bastien: OK, super. After you won the pacific highway upgrade project, obviously big victory there but I understand that the owner of the Carmichael coal mine project recently there's all the project management team which Parsons was a part of, can you speak to the impact if any, this will have on your business there?

Pierre Shoiry: Clearly we're working on the two biggest mining projects, as program managers the Carmichael project for (Adone) and also the (Royal) project. Clearly, you know, there's a reduction in teams, I think they've slowed the pace, they've cut on the design services and construction services. You know, it always have an impact, in the resource sector this is things that happen. But, you know, it doesn't have a material effect on the overall business in Australia, we have 200 people in Australia and we're talking about it's an important project but...

Alex L'Heureux: And by the way at this point in time we're not talking about the project cancellation, we're talking about the delays for the time being.

Pierre Shoiry: Yes.

Frederic Bastien: OK, just to get a scenes of the magnitude, I mean this specific highway project is it significantly bigger than, I mean, the kind of fees you would be collecting from that coalmine?

Pierre Shoiry: Yes, for sure. This is a very, very large project. But again, we do small medium size large projects, we have a very good mix of projects. As you now we have a very broad base client list and we foster a culture of trying to have a good mix of projects in order to mitigate the downturn of one specific or the cancellation of one project or another. So, you know, I'd say Frederic it's not something that's, you know, we certainly would be hopefully that the project get back on track but and we will see what happens.

Frederic Bastien: OK, thank you very much.

Operator: Your next question comes from the line of (Michael Tapone) with TD Securities. Your line is open.

(Michael Tapone): Thanks, good afternoon.

Alex L'Heureux: Hey, (Michael).

(Michael Tapone): A couple of questions related to the backlog. First of all I was wondering if you can tell me what the sequential change compared to Q1 in backlog would have been in the quarter on a cost and currency basis?

Alex L'Heureux: Approximately flat Michael.

(Michael Tapone): OK. I think as was reported it was – it was relatively flat so when you factor in currency still would have been roughly flat?

Pierre Shoiry: Yes, it's on the backlog since Q1 there's basically a decrease of about 0.7 percent coming from FX.

(Michael Tapone): OK. And then secondly some of the larger projects that you mentioned in the U.S. and then in the Pacific highway upgrade in Australia, it sounded to me like at least the ones in the U.S., that wasn't clear on the Pacific highway, but I thought those are ton yet including backlog, I was wondering if you can just talk about multi year project but when will work start to get out of the backlog and then when would you expect some of the work to begin to ramp up in terms of revenue generation?

Pierre Shoiry: Typically when you win the project, you know, they often move into the soft backlog unit the ease of the financial close. Like with LaGuardia we'll put it in our backlog when we actually there's a financial close and we start working. It's expected by the end of the year.

And if we talk about like high-speed rail, this is a project that has started, so now we move some of the soft backlog into the hard backlog. And typically for projects like that, multiyear projects we try to put in the hard backlog which really has been tasked by the client and not the whole, you know, the whole project, because you don't want to have too, you know, for some reason

project are canceled then you don't have to pull out of your backlog a significant amount of money.

So we have an approach where the projects when they are – when they are won they fall into the soft backlog and when they're fully funded and tasked by the client then they come to our backlog. And clearly these projects they weren't in the Q2 numbers.

(Michael Tapone): All right, OK. OK, great, thanks. And then just in terms of the organic growth in the Americas back to that, 2.6 percent reported in the quarter and I understand the dynamic there with the U.S. being 4.5 and then Columbia being on the drag. But Pierre you mentioned ramping seeking some work to ramp back up in Columbia now that you finished the utilities project you mentioned. How quickly does that happen and so wondering how quickly we should see the overall Americas organic growth bounce back?

Pierre Shoiry: Well, first of all you got to put in perspective that we're comparing Columbia which has about 1,500 people to the Americas legacy WSP business which was about 1,000 people. Mind you that the revenues per employee are much less in Columbia but so the Columbian operation right now has disproportionate effect on the numbers that we're reporting because now we're 600 employees in the U.S.. So clearly if we can achieve 4.5 percent growth in the U.S. in the overall business, the Columbia become decimal point in the calculation.

So right now in Columbia there's as I said there's a lot of good work. Clearly we're seeing a slowdown though in the resources basis sectors, so everything that's related to mining and oil and gas in Columbia like everywhere else has been slower. But there's a lot of infrastructure investments that are planned in the country and this should bode well for the combined Parsons Brinckerhoff WSP business.

(Michael Tapone): OK, perfect. And then just lastly for me, can you shed a bit more light on what it is that's driving the growth this quarter in Australia and related to the overall APAC Region. You mentioned an expectation of slowing growth in

China, just wondering how sort of abrupt you expect that to be? And then that's all for me, thanks.

Pierre Shoiry: Yes. First of all in Australia again we're talking about the legacy business in Australia which was about 500 people. So to give an example we both Winward last year, they were about 50 people, a structural firm, today there's 72 employees so a lot of growth. And war's talking about the new redevelopment project that we just won (Queenswork) in Brisbane. This was a client of Winward and now we got the mechanical electrical on that piece which was he was structural client of that – he provides structural services for that client.

So there's a lot of good revenue synergies and the market has picked up nicely in the major cities and the building sector in Australia. So this, you know, 27 percent organic growth is not really reflective of the combined business today. But still we're seeing early signs of positive momentum in that country.

In Asia big chunk of our business is in the Hong Kong and in the Singapore as well as in mainland China. We're seeing right now the developers are a bit more tentative on starting up new projects, bit more tentative in their development. So while it's hard to get some hard data on the trends of the industry in China, we were seeing a slowdown in proposal activities. So we anticipate that we wont be in the high double digit growth category as we were in the past years. But our people still expects some growth in those markets.

(Michael Tapone):Great, thank you .

Operator: Your next question comes from the line of Sara O'Brien with RBC Capital Markets. Your line is open.

Sara O'Brien: Hi, good afternoon. Pierre you commented that there's a lot of M&A opportunities out there but you want to maintain a solid balance sheet. Just wondering if 1.8 times debt to EBITDA is a level you're comfortable increasing for the right acquisition or would you consider issuing equity if the right large deal came along?

Alex L'Heureux: Well, so buying EBITDA, the first thing Sara. So, I think we're comfortable and I'll tell you why. Typically the second half of any given year where we're doing slightly better on cash collection. So without making any prediction I do feel confident that we should be able to improve our net debt to EBITDA ratio in the next – in (H2).

So that combined with the fact that we are also buying some profit, I think at this point in time, for the time being is if we're talking about small niche acquisition I think this is a comfortable level. In the even that we would need to do something more meaningful obviously would need to reconsider what I just said. But what we've done in the first half I think we're comfortable at that level.

Pierre Shoiry: Our target EBITDA as we stated is 1.5 to 2 times. We think it's a fairly reasonable place to be specially now with our – we're having a more global and diversified business, we feel that we're more resilient in terms of a specific downturns. However, we increase our – this ratio temporarily for a specific acquisition to make sure we could.

Sara O'Brien: OK. And what about just given the Parsons integration of kind of ongoing maybe beginning to mid phases, would you feel comfortable if the right opportunity came around to make another large acquisition or is Parsons really top of mind for us in '15 and then you reexamine going forward?

Pierre Shoiry: Clearly the priority when we completed the Parsons transaction was to deliver on the acquisition and to deliver on the integration. I can report today that on both of those questions we're...

Alex L'Heureux: Well underway.

Pierre Shoiry: We're well underway, we're feeling very good. Integration is going very well, the blend of the two companies is really good. And our people, our employees are very supportive and very excited about the opportunities, so that's going well. On the financial side we're also delivering on what we said. Integration is progressing very so we feel we, you know, we feel we have the bandwidth to continue on our strategy and growth, and we remain – we'll certainly remain very opportunistic if the right transactions come along.

Sara O'Brien: OK, great. And then just for Alex on the charges in the quarter, there was 90 million related to restructuring for Parsons Brinckerhoff but some of that I think was IT related and not related to ongoing saving at the PB synergies going forward. Just wondering how much more of those IT related cost or other cost that we're not planed in the 25 million U.S. do you expect through the remainder of the year?

Alex L'Heureux: As I indicated before to someone, there will be more in Q3 Sara, I just want to be transparent. I do expect in Q3 there will be more, hasn't been quantified just yet but, you know, something. I wouldn't expect another 19 million ion Q3 if it's your question.

But certainly I think we're on this six months, even thought it's well underway the plans are set, I mean, we're only six months into this acquisition and we're merging two businesses of 15,000 in the professional, so it's significant. So I do expect more in Q3.

And some of these will be leading to cost savings but I cannot quantify right now which one will be leading to cost savings and the one that we wont. I think it's too premature at this point. And as I said in Q3 before yearned, I'll be in a better position to give you a good outlook as to, you know, what we think are those cost synergy that we'll be – that we will be generating.

Sara O'Brien: OK.

Alex L'Heureux: On an annualize basis going forward.

Sara O'Brien: OK. And maybe the last question on corporate cost, the guidance was for 17 to 18 million per quarter in the back half of the year, just wondering how – why is that so much higher than Q1 number. I understand the LTIP in Q1 but in Q1 your corporate cost were 12 million, what's causes the bump up in the back half?

Alex L'Heureux: It's a significant portion of this is the – it's a compensation related to LTIP. Long-term Incentive Program. And just for your own benefit and for everyone else benefit, the LTIP of the entire company not just the senior

executive is held at the group level. I think it's important to put this inter perspective, this is not in the region, so it's all held that the group level, first point.

And the second point is that in Q2 we changed the assumption in relations to the probability of us reaching the metrics that were set for the 2013 and 2014 LTIP plans. And we're talking about a more than a 100 people on this Long-term Incentive Program. So that's...

Sara O'Brien: OK, so.. OK, sorry, go ahead.

Alex L'Heureux: That's the reason why Sara in Q2 you are seeing a bump up. It's just a readjustment of our prediction. Every quarter from an accounting point of view as you may know, we need to reassess our liability in relation to a potential liability that may incur in the future.

And since those liability are accounted for over a period of three years and measured over a period of three years, we need to asses and estimate over 36 months, what's the probability adjusted of us reaching it, reaching a certain target. And that's why you may see some fluctuation at a group level from time to time.

Sara O'Brien: OK.

Alex L'Heureux: Conversely for some reason we believe that we will not be reaching certain metrics, you would see the group cost be reduced by an equal amount and you would be asking why it's small this time around. But the run rate, you know, on a quarterly basis, I mentioned, that should be in the area of 16 to 18 million a quarter overall for group in the actual FX.

Sara O'Brien: OK. And just – when we go forward into F16 with that three year LTIP finished, do we go back to like a 12 to 15 million range per quarter or do you start accruing for that program again?

Alex L'Heureux: Every year there is a LTIP award right now for certain employees, so it's a rolling – it's a rolling average, you know? And next year we'll be dealing with '14, '15, and '16. And in '17 we'll be dealing with '15, '16, '17. And

this year we're dealing with '13, '14, '15. Because ties' a three year – it's on a three year average.

Sara O'Brien: OK.

Alex L'Heureux: So the answer is no. On a global – I mean, the run rate that I gave and provided assuming that we're not increasing or decreasing the staff count and all the expenses in relation to running the business, I mean, that should be a proper run rate at this point in time.

Sara O'Brien: OK, thank you.

Operator: Your next question comes from the line of (Paul Lechum with CIDC). Your line is open.

(Paul Lechum): Thank you, good afternoon. Just a couple of questions, first on the margins in the APAC region which have been below the group average for a while, I'm just wondering, is there anything – I mean, they're improving but is there anything structurally different in that region that would not allow them to attain the group average margins over time?

Alex L'Heureux: I think the answer if you recall (Paul) is that when we acquired Parsons Brinckerhoff and also, I mean, two things. First thing is the Australian market and has been a challenging market for the last few years. So I think for at least the last 24 months if you look at our peer and our comps in Australia you've seen certainly that the margin profile have been challenged for most of our peer income, that's the first thing. The second thing also is that when we acquired the PB business we have said that when we saw some opportunities in Australia and U.K. to hopefully one day bring the margin level to the global average level. And it's certain that something that in this strategy cycle will be working on.

Pierre Shoiry: Paul in the APAC I would say the Asia margins are close to...

Alex L'Heureux: Global average.

Pierre Shoiry: The global average. And clearly as Alex said you know very well when we bought PB Australia was, you know, slightly about breakeven. So they weren't – the margins were...

Alex L'Heureux: Were good.

Pierre Shoiry: Were good. But what's really encouraging is that the Q2 2015 over 2014 we got, you know, 2.8 percent improvement. And year-to-date we have a 2.7 percent improvement so, you know, that I think is, you know, when we bought the PB as Alex just said we saw Australia as a great place to progress and they had just downsize the business from 2,000 to 1,500 people, they were breaking even. And our business in Australia was picking up and now I'd say our building segments is doing well, transportation is doing better, we made some structural changes in the country over there, we have very strong leadership, a very strong engaged group, and where we sit pretty good targets from them and there's – so we see certainly we're pleased with the way things are going over there.

(Paul Lechum): OK, that's helpful. And last question Pierre, so maybe I'm mistaken but it seems that you're getting more of these large multi contract, I don't recall seeing anything of the size of the California high-speed rail contract or this specific coast highway in Australia. So can you maybe give us some more color around these large contracts, I mean, is it true that the market is going more that way, number one?

And number two do they provide different margins to you overtime, how should we think about that as your business takes more of these large contract?

Pierre Shoiry: Listen, Parsons Brinckerhoff and we said that the, you know, the premier firm, worldwide recognition particularly in the field of transformation and power, and buildings in the Asia Pac region. They have very, very strong project and program management skills and expertise and these are the – part of our strategy was to leverage these program and project management skills throughout the other markets that we service. And so this is what's really

nice, Parsons Brinckerhoff really brings us world-class capabilities in those services. And obviously have access to large programs and large projects.

So it's a great combination of having this, you know, these two companies that come together with different set of skill sets. And WSP historically worked on a lot more with the private sector clients, commercial clients, quick turnaround, and smaller size projects. The Parsons Brinckerhoff very public sector focus on the infrastructure and so it's a really good blend and provides great opportunities. The profile, the profit, you know, margin profile, these projects are quite similar to either other sectors there's no real differentiator. But having access to these large projects is this key to our strategy to attack and retain the best people in. And these long programs often are multi year so they provide a good solid base or recurrent revenue over multiyear.

(Paul Lechum): OK, thanks, that's helpful.

Pierre Shoiry: Thank you.

Operator: Your next question comes from the line of Leon Aghazarian with National Bank. Your line is open.

Loen Aghazarian: Hi, good afternoon gentlemen. My question is revolving around Canada, I mean, you explain quite well what the 6.1 percent contraction was particularly on a geomatic and oil and gas side. But you're also mentioning that Quebec and Ontario was quite strong at 8 percent organically, can you go some bit more color on that, first of all. And secondly if you remain comfortable with the workforce that you have out west?

Pierre Shoiry: OK, well, Quebec and Ontario, you know, clearly we have said it last year we felt that we had – last quarter we had hit the bottom. And, you know, when you hit the bottom then hopefully it's uphill. And so we're going – we're seeing good momentum in Quebec close to slightly, you know, good - close to double digit growth in Quebec.

And Ontario has been quite solid, not as fast as Quebec but solid. So, you know, we are seeing – we're speaking – I was speaking with our leaders in those provinces the last days and right now we're seeing good proposal

activity, our book to burn ratio is above one right now, so we're booking more work than we're actually delivering. So that's a good trend.

So there's positive momentum, few large infrastructure project that helped. And in Toronto right now we're winning, you know, the Scarborough project that we won for systems and on the rail side, this is a project that, you know, just a few years ago we wouldn't have won. And today with the contribution of our experts from Sweden, from the U.K., and also from the PB acquisition, and the relationship they've built around the transit commissions in Toronto we're winning new works. So Ontario has, you know, launched a vast infrastructure program of 130 billion over 10 years mostly in the rail sector transit sector.

So those good just recently this week we were awarded a design build project for a Iraq BRT project in New York. So there's good momentum right now in those provinces and also on Canada we have a few national lines such as the telecom environment energy. And in energy and environment across Canada this year we have double digit organic growth. In telecom we have good growth. So we're seeing – we're seeing, you know, good performance but unfortunately won't offset the decline in the business in Alberta specifically.

Loen Aghazarian: Thank you.

Pierre Shoiry: Welcome Leon.

Operator: Your next question comes from the line of Bert Powell with BMO Capital Markets. Your line is open.

Bert Powell: Thanks. So Pierre so western Canada do you have the headcount, is that stabilized, is that where you think you needed or is that still bias downwards?

Pierre Shoiry: It's stabilized. There haven't – there's been some minor adjustments in the last quarter. And maybe – I think the bulk of the contraction was executed in Q4 and Q1.

Bert Powell: That's great, thanks. In terms of, you know, when you laid out your plan in May, in the forecast to 2018, 1.3 billion in acquisitions. I'm just wondering,

as you monitor the targets that, you know, what underpin, I guess, probably a big percentage of that, you know, how are they performing? And given hat's going on in the world, what do you think the probably today is in terms of, you know, executive on that relative to maybe when you first started laying the plans out.

Pierre Shoiry: Well, things haven't changed much in the past...

Alex L'Heureux: Sixty days.

Pierre Shoiry: Sixty days. So, you know, we have as I said the dynamics are – haven't really changed in the industry and I think are favorable. Right now we're being very selective in the people who we talk to we want to – we already have some very strong market positions and several countries but we're really filling in each expertise, we're talking to premier firms that really can enrich our network. And we don't see any specific reasons not to be able to achieve that target over the next three years at this time.

Bert Powell: OK. And then just lastly I know this is funny year in the Americas given, you know, the relative size of, you know, PB and reporting organic growth and what not. But when you think about that business, you know, after you kind of get through, you know, whopping the acquisition, what's the – what's the reasonable organic growth profile for that business? In the season is that consistent with the 5 percent you laid out, or as you think about the business today and get to know the opportunity better and some of the revenue synergies, do you think that you'll be an excess of that?

Alex L'Heureux: The answer is we'll we just laid out the global strategic plan two month ago Bert and the guidance, not the guidance, but the goal that we provided is for the combined organization. And I think that's where we can say today and certainly we're quite excited about getting into the new budgetary process right after labor day and, you know, we'll know more at that time. But certainly that what we think our target should be is what we laid out in our strategic plan 60 days ago.

Bert Powell: OK, thank you

Operator: Your next question comes from the line of Maxim Sytchev with Dundee Capital Markets. Your line is open.

Maxim Sytchev: Hi, good afternoon gentlemen.

Just a quick question in relation to M&A and specifically, you know, any desire to become maybe more countercyclical in the industrial vertical which is obviously hurting right now for everybody. Where do you feel it's true and the desires to continue building out building, transportation kind of environment?

Pierre Shoiry: Well, our strategy we certainly want to have a focus, you know, on our core markets, our core local market which are environment, infrastructure and building. You know, we already have a very strong leading position in, you know, if you get (ENR) rankings we're, you know, top three in buildings and top three in transportation in terms of global design firm. So we want to continue really to put our focus on developing our position in those sectors and as I said those are local core markets.

So in every country where we operate we want to be a to tier player in transportation and municipal infrastructure and buildings and environment. So those are I'd say I premier focus areas. But then we have, you know, power, energy, resource related industrial, we want to be opportunistic, we we're not looking at this strategically in terms of counter cyclical or other. I think if we find the right fit at the right condition we'll look at it.

But, you know, right now we like the resilience of our market, we like the favorable outlook of our markets, our core markets, you know, building and infrastructure which are about 75 percent of our business. And we like that aspect, and it's very hard to predict the volatility right now what's going to happen in the resource sectors.

So I'd say our main focus right now is on our core markets with a very open mind on power related work, so power generation, power distribution, that's something we like and we have a very good expertise and know how. And also in certain industrial segments where we could – where we see opportunity

to develop ourselves. So that's what the focus is right now in the M&A side Max.

Maxim Sytchev: OK, that makes sense. And then just one housekeeping question just in terms of, you know, how exactly you account for organic growth because technically PB was sort of M&A growth as of Q4 of last year, so does it mean that it will become organic growth as of Q4 of this year or will it really show up in 16 just, you know, kind of how the math is going to work?

Alex L'Heureux: Yes, Max. Post October 31st from November 1st onward for the remainder of the year we'll become organic growth.

Maxim Sytchev: OK. OK, that great. That's it for me, thank you very much.

Operator: There are no further questions at this time. I'll turn the call back over to the presenters for any closing remarks.

Pierre Shoiry: Thank you everyone for attending this call and we'll speak to you in early November. Thank you. Bye-bye.

Operator: Ladies and gentlemen this concludes today's conference call. You may now disconnect.

END