

Q3 2014

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

UNAUDITED

For the third quarter ended September 27, 2014

WSP Global Inc.

Interim Condensed Consolidated Financial Statements
(Unaudited)
Septembre 27, 2014

(In millions of Canadian dollars)

WSP Global Inc.

Consolidated Statements of Financial Position (Unaudited)

(in millions of Canadian dollars)

	September 27, 2014 \$	December 31, 2013 \$
Assets		
Current assets		
Cash and cash equivalents (note 5)	77.7	131.9
Restricted cash (note 15 a))	492.0	-
Trade, prepaid and other receivables	600.7	483.3
Income taxes recoverable	20.2	23.7
Costs and anticipated profits in excess of billings	282.5	186.5
	<u>1,473.1</u>	<u>825.4</u>
Non-current assets		
Other assets	39.0	37.4
Deferred income tax assets	36.5	28.7
Property, plant and equipment	102.1	87.4
Intangible assets	154.9	146.4
Goodwill (note 6)	1,044.0	734.6
	<u>1,476.5</u>	<u>1,034.5</u>
Total assets	<u>2,849.6</u>	<u>1,859.9</u>
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	403.8	363.5
Income taxes payable	13.1	18.4
Billings in excess of costs and anticipated profits	141.9	93.0
Dividends payable to shareholders (note 10)	23.2	19.6
Current portion of long-term debts	10.4	1.5
Other current financial liabilities (notes 7 and 15 a))	569.2	46.2
	<u>1,161.6</u>	<u>542.2</u>
Non-current liabilities		
Long-term debt	250.4	187.7
Other non-current financial liabilities (note 7)	3.9	6.7
Provisions	13.4	11.4
Retirement benefit obligations	114.8	104.4
Deferred income tax liabilities	45.1	33.9
	<u>427.6</u>	<u>343.7</u>
Total liabilities	<u>1,589.2</u>	<u>886.3</u>
Equity		
Equity attributable to shareholders		
Share capital (notes 8 and 15 a))	1,041.8	934.4
Contributed surplus (note 8)	200.0	-
Accumulated other comprehensive income	25.7	45.3
Deficit	(4.0)	(5.4)
	<u>1,263.5</u>	<u>974.3</u>
Non-controlling interest	(3.1)	(0.7)
	<u>1,260.4</u>	<u>973.6</u>
Total equity	<u>1,260.4</u>	<u>973.6</u>
Total liabilities and equity	<u>2,849.6</u>	<u>1,859.9</u>

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

Approved by the Board of Directors

(signed) Pierre Shoiry _____ Director

(3)
(signed) Pierre Seccareccia _____ Director

WSP Global Inc.

Interim Consolidated Statements of Earnings (Unaudited)

(in millions of Canadian dollars, except the number of shares and per share data)

	Third quarter ended		Year-to-date ended	
	Sept. 27, 2014 \$	Sept. 28, 2013 \$	Sept. 27, 2014 \$	Sept. 28, 2013 \$
Revenues	630.7	490.5	1,744.3	1,485.6
Personnel costs	393.6	297.6	1,118.6	926.6
Subconsultants and direct costs	93.3	82.9	253.2	244.5
Other operational costs	85.1	64.0	225.9	197.6
Depreciation of property, plant and equipment	7.9	6.0	21.7	18.3
Amortization of intangible assets	9.8	8.5	27.9	25.3
Exchange loss (gain)	(0.4)	1.1	(0.5)	(0.3)
Total operational costs	589.3	460.1	1,646.8	1,412.0
Net finance expenses (note 9)	1.8	3.9	8.3	8.6
Share of earnings of associates and joint ventures (net of tax)	(1.0)	(0.8)	(4.2)	(3.0)
Earnings before income taxes	40.6	27.3	93.4	68.0
Income tax expense	11.3	5.8	23.6	15.4
Net earnings for the period	29.3	21.5	69.8	52.6
Net earnings (loss) attributable to:				
Shareholders	29.1	22.1	70.7	53.8
Non-controlling interests	0.2	(0.6)	(0.9)	(1.2)
	29.3	21.5	69.8	52.6
Basic net earnings per share attributable to shareholders	0.47	0.43	1.14	1.04
Diluted net earnings per share attributable to shareholders	0.46	0.43	1.14	1.04
Basic weighted average number of shares	61,909,430	51,999,669	61,891,105	51,676,724
Diluted weighted average number of shares (note 15 a))	62,682,469	51,999,669	62,286,096	51,676,724

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

WSP Global Inc.

Interim Consolidated Statements of Comprehensive Income (Unaudited)

(in millions of Canadian dollars)

	Third quarter ended		Year-to-date ended	
	Sept. 27, 2014 \$	Sept. 28, 2013 \$	Sept. 27, 2014 \$	Sept. 28, 2013 \$
Comprehensive income				
Net earnings for the period	29.3	21.5	69.8	52.6
Other comprehensive income, net of tax <i>Items that may be reclassified subsequently to net income</i>				
Currency translation adjustments	(3.4)	10.3	(5.9)	15.6
Translation adjustments on financial instruments designated as net investment hedge (net of a tax expense/(recovery) of \$0.2 ((\$0.5) in 2013) and (\$0.3) year-to-date ((0.3) in 2013)	0.6	(6.9)	(1.9)	(5.1)
<i>Items that will not be reclassified to net income</i> Actuarial gain/(loss) on pension scheme (net of a tax expense(recovery) of (\$1.5) (\$2.4 in 2013) and (\$3.1) year-to-date (\$4.5 in 2013)	(5.1)	(2.6)	(11.8)	4.6
Total comprehensive income for the period	21.4	22.3	50.2	67.7
Comprehensive income (loss) attributable to:				
Shareholders	21.4	22.9	51.1	68.8
Non-controlling interests	-	(0.6)	(0.9)	(1.1)
	21.4	22.3	50.2	67.7

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

WSP Global Inc.

Interim Consolidated Statements of Changes in Equity (Unaudited)

(in millions of Canadian dollars)

	Attributable to shareholders				Total \$	Non- controlling interests \$	Total equity \$
	Share capital \$	Contributed surplus \$	Retained earnings (deficit) \$	Accumulated other comprehensive income \$			
Balance – January 1, 2013	903.3	-	0.7	13.1	917.1	2.0	919.1
Common shares issued under the DRIP	22.3	-	-	-	22.3	-	22.3
Comprehensive income							
Net earnings for the period	-	-	53.8	-	53.8	(1.2)	52.6
Actuarial gain on pension schemes (net of tax)	-	-	-	4.6	4.6	-	4.6
Currency translation adjustments	-	-	-	15.5	15.5	0.1	15.6
Net investment hedge (net of tax)	-	-	-	(5.1)	(5.1)	-	(5.1)
Total comprehensive income (loss)	-	-	53.8	15.0	68.8	(1.1)	67.7
Declared dividends to shareholders	-	-	(58.2)	-	(58.2)	(1.5)	(59.7)
Balance – Sept 28, 2013	925.6	-	(3.7)	28.1	950.0	(0.6)	949.4
Balance – January 1, 2014	934.4	-	(5.4)	45.3	974.3	(0.7)	973.6
Common shares issued under the DRIP (note 8)	30.9	-	-	-	30.9	-	30.9
Common shares issued via private placements (note 8)	84.1	-	-	-	84.1	-	84.1
Common shares issued via public issuance (note 8)	192.4	-	-	-	192.4	-	192.4
Reduction of capital (note 8)	(200.0)	200.0	-	-	-	-	-
Comprehensive income							
Net earnings for the period	-	-	70.7	-	70.7	(0.9)	69.8
Actuarial gain on pension schemes (net of tax)	-	-	-	(11.8)	(11.8)	-	(11.8)
Currency translation adjustments	-	-	-	(5.9)	(5.9)	-	(5.9)
Net investment hedge (net of tax)	-	-	-	(1.9)	(1.9)	-	(1.9)
Total comprehensive income (loss)	-	-	70.7	(19.6)	51.1	(0.9)	50.2
Declared dividends to shareholders (note 10)	-	-	(69.3)	-	(69.3)	(1.5)	(70.8)
Balance – Sept. 27, 2014	1,041.8	200.0	(4.0)	25.7	1,263.5	(3.1)	1,260.4

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

WSP Global Inc.
Interim Consolidated Statements of Cash Flows
(Unaudited)

(in millions of Canadian dollars)

	Third quarter ended		Year-to-date ended	
	Sept. 27, 2014 \$	Sept. 28, 2013 \$	Sept. 27, 2014 \$	Sept. 28, 2013 \$
Cash flows generated from (used in) operating activities				
Net earnings for the period	29.3	21.5	69.8	52.6
Adjustments (note 11a))	16.2	10.8	39.6	32.3
Income tax expense	11.3	5.8	23.6	15.4
Income taxes paid	(3.7)	(6.4)	(21.9)	(19.0)
Net finance expenses (note 9)	1.8	3.9	8.3	8.6
	54.9	35.6	119.4	89.9
Changes in non-cash working capital items (note 11b))	(59.9)	(22.2)	(87.9)	(44.6)
Net cash and cash equivalents generated from (used in) operating activities	(5.0)	13.4	31.5	45.3
Cash flows generated from (used in) financing activities				
Dividends paid to shareholders	(11.6)	(11.2)	(34.8)	(35.4)
Net variation in long-term debt	0.5	(0.3)	2.0	0.5
Repayment of other financial liabilities	(3.4)	(1.0)	(9.8)	(13.3)
Finance expenses paid and financing costs	(2.5)	(1.0)	(7.3)	(4.3)
Net variation in bank advances	(19.5)	(32.3)	64.1	(46.2)
Issuance of common shares, net of issuance costs	(0.3)	-	281.5	-
Dividends paid to a non-controlling interest	-	-	(1.5)	(1.5)
Net cash and cash equivalents generated from (used in) financing activities	(36.8)	(45.8)	294.2	(100.2)
Cash flows generated from (used in) investing activities				
Business acquisitions, net of cash acquired (note 4)	(1.2)	(1.2)	(376.8)	(1.2)
Additions to property, plant and equipment	(9.6)	(3.0)	(23.1)	(13.7)
Proceeds from disposal of property, plant and equipment	0.1	-	1.2	0.2
Additions to intangible assets	(1.5)	(0.9)	(3.7)	(4.1)
Dividend received from associates	-	-	1.8	1.7
Net cash and cash equivalents generated from (used in) investing activities	(12.2)	(5.1)	(400.6)	(17.1)
Effect of exchange rate change on cash and cash equivalents	1.2	0.4	1.8	0.9
Net change in cash and cash equivalents	(52.8)	(37.1)	(73.1)	(71.1)
Cash and cash equivalents net of bank overdraft – Beginning of period	79.8	87.3	100.1	121.3
Cash and cash equivalents net of bank overdraft (note 5) – End of period	27.0	50.2	27.0	50.2

The accompanying notes are an integral part of these interim condensed consolidated financial statements. (7)

WSP Global Inc.
Notes to Interim Condensed Consolidated Financial Statements
(Unaudited)
Septembre 27, 2014

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WSP Global Inc.

Notes to Interim Condensed Consolidated Financial Statements

(Unaudited)

Septembre 27, 2014

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

1. Business description

WSP Global Inc. (the "Corporation" or "WSP") is a professional services firm, working with governments, businesses, architects and planners and providing integrated solutions across many disciplines, from designing zero-carbon cities to project managing large-scale Infrastructure projects. The Corporation offers a variety of project services throughout all project execution phases, from the initial development and planning studies through to the design, construction, commissioning and maintenance phases. WSP operates in different market segments: Buildings, Infrastructure (including Transportation and Municipal Infrastructure), Industrial and Energy (including Mining, Oil and Gas) and Environment. The address of its main registered office is 1600, René-Lévesque Boulevard West, Montreal, Quebec.

On January 1, 2014, a corporate reorganization pursuant to a court-approved plan of arrangement (the "Arrangement") came into effect. The Arrangement, which was approved by the Corporation's shareholders at the Annual and Special Meeting of Shareholders held on May 23, 2013 and which received final approval of the Superior Court of Québec on May 27, 2013, resulted in the reorganization whereby a newly created company named WSP Global Inc. replaced GENIVAR Inc. as the publicly traded company. Pursuant to the Arrangement, shareholders of GENIVAR Inc. became shareholders of WSP as of the effective date.

Having fulfilled the requirements of the Toronto Stock Exchange ("TSX"), the common shares of the Corporation, as of January 1, 2014, are listed under the trading symbol "WSP" on the TSX.

2. Summary of significant accounting policies

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, "Interim Financial Reporting." The accounting policies followed in these interim condensed consolidated financial statements are the same as those applied in the Corporation's annual consolidated financial statements for the year ended December 31, 2013, except as described below. All disclosures required for annual consolidated financial statements have not been included in these interim condensed consolidated financial statements. Therefore, these unaudited interim condensed consolidated financial statements should be read in conjunction with the Corporation's most recent audited annual consolidated financial statements.

The accompanying interim condensed consolidated financial statements include all adjustments, composed of normal recurring adjustments, considered necessary by Management to fairly state the Corporation's results of operations, financial position and cash flows. The operating results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year.

These interim condensed consolidated financial statements were approved by the Corporation's Board of Directors on November 11, 2014.

WSP Global Inc.

Notes to Interim Condensed Consolidated Financial Statements

(Unaudited)

Septembre 27, 2014

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

These interim condensed consolidated financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities at fair value through the consolidated statement of earnings and in the consolidated statement of comprehensive income.

The Corporation's operations are affected by seasonality with the third quarter usually its highest and the first quarter usually its lowest.

Changes in accounting policies

On January 1, 2014, the Corporation adopted IFRS Interpretation Committee 21 ("IFRIC 21"), "Levies", which sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to paying a levy and when a liability should be recognized.

The adoption of IFRIC 21 did not have a significant impact on the Corporation's interim condensed consolidated financial statements.

3. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical trends and other factors, including expectations of future events that are likely to materialize under reasonable circumstances.

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The significant estimates, judgments and assumptions made by management in applying the Corporation's accounting policies are the same as those applied and described in the annual consolidated financial statements for the year ended December 31, 2013.

WSP Global Inc.

Notes to Interim Condensed Consolidated Financial Statements

(Unaudited)

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(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

4. Business acquisitions

The acquisitions have been accounted for using the acquisition method, and the operating results have been included in the consolidated financial statements from the date of acquisition. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company will report provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

The measurement period is the period from the date of acquisition to the date the Company obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

Acquisitions

- On April 10, 2014, the Company concluded the transaction pertaining to the acquisition of Focus Group Holdings Inc. ("Focus") by acquiring all of the issued and outstanding shares of Focus for an aggregate amount of \$365.7, \$233.5 net of debt. Focus is a multi-disciplinary engineering and geomatics firm based in Alberta principally serving the oil and gas industry in western Canada. Management was assisted by an independent valuator.
- On April 30, 2014, the Company acquired all the outstanding shares of Technip TPS ("TPS") for an aggregate amount of approximately \$18.2 (12.0 Euros). TPS is a French subsidiary of Technip S.A., which specializes in building and infrastructure engineering.
- On June 1, 2014, the Company made the acquisition of WINWARD Group ("WINWARD"), an Australia-based engineering firm specializing in structural engineering services.

The table below presents Management's preliminary assessment of the fair values of the assets acquired and the liabilities assumed. The final assessment of the fair values will be finalized after the values of assets and liabilities have been definitively determined. Accordingly, the following values are subject to changes and such changes may be material.

WSP Global Inc.

Notes to Interim Condensed Consolidated Financial Statements

(Unaudited)

Septembre 27, 2014

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

	FOCUS	Others*
Recognised amounts of identifiable assets acquired and liabilities assumed		
Current Assets		
Cash	9.8	14.8
Trade, prepaid and other receivables	61.3	13.2
Costs and anticipated profits in excess of billings	11.8	2.0
Property and equipment	13.0	1.0
Computer Software	2.3	-
Non-trading intangibles	24.6	3.9
Deferred income tax assets	1.4	-
Current Liabilities		
Accounts payable and accrued liabilities	(56.5)	(13.9)
Billings in excess of costs and anticipated profits	(0.2)	(13.9)
Long-term debt	(113.3)	-
Deferred income tax liabilities	(11.7)	(1.2)
Fair value of identifiable assets and liabilities assumed	(57.5)	5.9
Goodwill	291.0	26.5
Total purchase consideration	233.5	32.4
Cash acquired	(9.8)	(14.8)
Consideration receivable (payable)	2.0	(6.5)
Repayment of debt and payables	140.0	-
Cash disbursements	365.7	11.1

*Includes TPS and WINWARD.

Goodwill is attributable to the workforce of the acquired business and the synergies expected to arise with the Company after the acquisition. None of the goodwill recognized is expected to be deductible for income tax purposes

Management is in the process of assessing the fair value of the acquired companies' receivables. These receivables had a gross contractual amount of approximately \$70.4.

Acquisition-related costs of approximately \$1.4, have been expensed and included in other operational costs.

WSP Global Inc.

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(Unaudited)

September 27, 2014

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

The acquired businesses contributed revenues of \$168.2 and net earnings of \$19.0 from their dates of acquisition to September 27, 2014. If the businesses would have been acquired on January 1, 2014, the Company's revenues and net earnings for the nine months of the year would have increased to \$1,846.0 and \$73.5, respectively.

5. Cash and cash equivalents

	September 27, 2014	December 31, 2013
	\$	\$
Cash at banks and on hand	77.7	131.9
Less: Bank overdraft (note 7)	(50.7)	(31.8)
Cash and cash equivalents net of bank overdraft	<u>27.0</u>	<u>100.1</u>

6. Goodwill

	September 27, 2014	December 31, 2013
	\$	\$
Balance – Beginning of period	734.6	701.1
Goodwill resulting from business acquisitions	317.5	0.6
Exchange differences	(8.1)	32.9
Balance – End of period	<u>1,044.0</u>	<u>734.6</u>

WSP Global Inc.

Notes to Interim Condensed Consolidated Financial Statements

(Unaudited)

Septembre 27, 2014

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

7. Other financial liabilities

	September 27, 2014 \$	December 31, 2013 \$
Bank overdraft	50.7	31.8
Loan payable	4.3	4.6
Notes payable	6.8	4.5
Balances payable to former shareholders	-	0.1
Obligations under finance leases	8.4	11.4
Subscription receipts issued via public issuance – in escrow (note 15 a))	502.0	-
Other obligations	0.9	0.5
	573.1	52.9
Less: Current portion	569.2	46.2
	3.9	6.7

8. Share capital

Authorized

An unlimited number of common shares without par value, voting and participating.

An unlimited number of preferred shares without par value, participating, issuable in series.

Issued and paid

	Common shares	
	Number	\$
Balance as at January 1, 2013	51,056,441	903.3
Shares issued under the DRIP	1,324,622	31.1
Balance as at December 31, 2013	52,381,063	934.4
Shares issued under the DRIP (note 10)	908,154	30.9
Shares issued via private placements (net of fees and taxes)	2,547,750	84.1
Shares issued via public issuance (net of fees and taxes)	6,132,950	199.7
Subscription receipts issuance costs related to public issuance – in escrow (net of taxes) (notes 15 a))	-	(7.3)
Reduction of capital	-	(200.0)
Balance as at September 27, 2014	61,969,917	1,041.8

WSP Global Inc.

Notes to Interim Condensed Consolidated Financial Statements

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Septembre 27, 2014

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

In conjunction with the Corporation's reorganization (note 1), the stated capital of WSP, in respect of common shares, was reduced by \$200.0 and contributed surplus was increased by the same amount.

As at September 27, 2014, no preferred shares were issued.

9. Net finance expenses

	<u>Third quarter ended</u>		<u>Year-to-date ended</u>	
	Sept. 27, 2014	Sept. 28, 2013	Sept. 27, 2014	Sept. 28, 2013
	\$	\$	\$	\$
Interest on bank advances and overdrafts	2.0	1.7	5.7	4.5
Interest on notes payable and on balances payable to former shareholders	-	-	-	0.2
Net finance expenses on pension obligations	1.1	1.0	3.4	3.0
Exchange loss (gain) on liabilities in foreign currencies	(1.8)	0.8	(1.9)	0.5
Other interest and bank charges	0.6	0.7	1.5	2.8
Interest income	(0.1)	(0.3)	(0.4)	(2.4)
	<u>1.8</u>	<u>3.9</u>	<u>8.3</u>	<u>8.6</u>

10. Dividends

The Corporation aims to declare and pay cash dividends on a quarterly basis to shareholders. The total amount of dividends declared by the Corporation for the third quarter ended September 27, 2014, was \$23.2 (\$69.3 year-to-date) or \$0.375 per share.

Following the payments of dividends declared on November 6, 2013, March 12, 2014 and May 12, 2014, \$30.9 was reinvested in 908,154 common shares under the dividend reinvestment plan ("DRIP") (note 8).

On October 15, 2014, on the payment of the third quarter dividend, \$11.2 was reinvested in 334,166 additional shares under the DRIP.

WSP Global Inc.

Notes to Interim Condensed Consolidated Financial Statements

(Unaudited)

Septembre 27, 2014

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

11. Statements of cash flows

a) Adjustments

	Third quarter ended		Year-to-end ended	
	Sept. 27, 2014	Sept. 28, 2013	Sept. 27, 2014	Sept. 28, 2013
	\$	\$	\$	\$
Depreciation and amortization	17.7	14.5	49.6	43.6
Share of earnings of associates and joint ventures	(1.0)	(0.8)	(4.2)	(3.0)
Defined benefit pension scheme expense	0.2	0.1	0.6	0.4
Cash contribution to defined benefit pension schemes	(2.4)	(1.8)	(7.1)	(5.7)
Foreign exchange and non-cash movements	(0.1)	(0.1)	(0.3)	(1.8)
Others	1.8	(1.1)	1.0	(1.2)
	<u>16.2</u>	<u>10.8</u>	<u>39.6</u>	<u>32.3</u>

b) Changes in non-cash working capital items

	Third quarter ended		Year-to-end ended	
	Sept. 27, 2014	Sept. 28, 2013	Sept. 27, 2014	Sept. 28, 2013
	\$	\$	\$	\$
Decrease (increase) in:				
Trade, prepaid and other receivables	(25.2)	(5.1)	(35.6)	12.1
Costs and anticipated profits in excess of billings	(34.5)	(0.2)	(81.6)	(17.6)
Increase (decrease) in:				
Accounts payable and accrued liabilities	(8.0)	(11.7)	(3.6)	(21.2)
Billings in excess of costs and anticipated profits	7.8	(5.2)	32.9	(17.9)
	<u>(59.9)</u>	<u>(22.2)</u>	<u>(87.9)</u>	<u>(44.6)</u>

WSP Global Inc.

Notes to Interim Condensed Consolidated Financial Statements

(Unaudited)

Septembre 27, 2014

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

c) Transactions not affecting cash and cash equivalents

	Third quarter ended		Year-to-date ended	
	June 27, 2014 \$	Sept. 28, 2013 \$	Sept. 27, 2014 \$	Sept. 28, 2013 \$
Additions to intangible assets and prepaid through the assumption of a finance lease and financial liabilities	-	-	-	17.9

12. Credit facilities

The Corporation amended its committed credit facility increasing the maximum amount from \$400.0 to \$600.0 with no changes to conditions, effective March 12, 2014.

13. Long-Term Incentive Plan ("LTIP")

In 2011, the Corporation adopted a LTIP for certain employees. Under this plan, units could be issued in the form of restricted share units ("RSUs") or stock options. The total number of shares reserved and available for grant and issuance pursuant to RSUs and stock options is limited to 2,080,950 shares. In 2014, the Corporation also adopted a Performance Share Unit Plan ("PSUs").

RSUs

The RSUs can be settled in cash or in shares, vest if certain Corporation performance targets are met and payable, at the earliest, on March 28, 2016. The measurement of the compensation expense and corresponding liability for these awards is based on the fair value of the award, and is recorded as an expense, or recovery, over the vesting period of the award. At the end of each financial reporting period, changes in the Corporation's payment obligation due to changes in the market value of the common shares on the TSX, or change in the number of units based on the expected Corporation's performance, are recorded as an expense or recovery. As at September 27, 2014, 172,555 RSUs are outstanding. The Corporation recorded an expense of \$0.1 during the quarter (nil in 2013) and \$1.4 year-to-date (nil in 2013) related to the RSUs in Personnel Costs.

Stock options

Options granted under the stock option plan, to officers and employees, may be exercised during a period not exceeding ten years from the date of grant. Options vest 3 years after the date of grant. Any unexercised options will expire at the earlier of one month after the date a beneficiary ceases to be an employee or the expiration date of the stock options granted. As at September 27, 2014, 222,958 stock options were outstanding at an exercise price of \$35.45 and 62,382 stock options at an exercise price of \$37.75.

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On March 31, 2014 the Board of Directors granted a single award of 20,000 stock options to an officer of the Corporation to purchase common shares of the Corporation. These stock options vest in three equal instalments over a period of two years, with the first instalment vesting on the date of the grant, the second on the first anniversary of the date of the grant and the third on the second anniversary of the date of the grant at an exercise price of \$35.12. These stock options may be exercised during a period not exceeding ten years from the date of the grant.

The Corporation recorded a stock based compensation expense of \$0.2 for the quarter and \$0.4 year-to-date in Personnel Costs.

The fair value of stock options at the grant date was measured using the Black-Scholes option pricing model. The historical share price of the Corporation's common shares is used to estimate expected volatility, and government bond rates are used to estimate the risk-free interest rate. The following table illustrates the inputs used in the measurement of the fair values of the stock options at the grant date granted during the period ended September 27, 2014:

	For the nine months ended September 27, 2014
Expected stock price volatility	22.2%
Dividend	4.2%
Risk-free interest rate	1.6%
Expected option life	4.5 years
Fair value – weighted average of options issued	\$4.16-\$4.93

PSUs

The PSUs are settled in cash and vest if certain Corporation performance targets are met and payable at the earliest on March 25, 2017. The measurement of the compensation expense and corresponding liability for these awards is based on the fair value of the award, and is recorded as an expense or recovery over the vesting period of the award. At the end of each financial reporting period, changes in the Corporation's payment obligation due to changes in the market value of the common shares on the TSX, or change in the number of units based on the expected Corporation's performance, are recorded as an expense or recovery. As at September 27, 2014, there are 170,770 PSUs outstanding. The Corporation recorded an expense of \$0.4 during the quarter, and \$1.0 year-to-date related to the PSUs in Personnel Costs.

14. Segment information

The Corporation manages through five reportable operating segments, which are the following: Canada, United States, United Kingdom, Northern Europe and Rest of the World.

The Executive Committee assesses the performance of the operating segments based on revenues, net revenues and adjusted EBITDA. Adjusted EBITDA excludes global corporate costs. Global corporate costs are expenses and salaries related to centralized functions, like global finance,

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human resources and technology teams, which are not allocated to segments. This measure also excludes the effects of financial expenses, amortization, depreciation and income taxes.

Sales between segments are carried out at arm's length. The revenues reported to the Executive Team are measured in a similar manner as in the consolidated statements of earnings and exclude intercompany sales.

The table below presents the Corporation's operations based on its reportable operating segments.

	Third quarter ended Sept. 27, 2014					Total
	Canada	United States	United Kingdom	Northern Europe	Rest of the World	
Revenues	237.0	61.4	110.9	128.6	92.8	630.7
Less: Subconsultants and direct costs	(40.2)	(5.0)	(19.3)	(15.7)	(13.1)	(93.3)
Net revenues	196.8	56.4	91.6	112.9	79.7	537.4
Adjusted EBITDA	35.1	8.0	9.8	12.3	7.8	73.0
Global corporate costs						(6.6)
Non-operating expenses						(5.4)
Financial expenses						(1.9)
Depreciation and amortization						(17.7)
Share of taxation and amortization of associates						(0.8)
Earnings before income tax						40.6

	Third quarter ended Sept. 28, 2013					Total
	Canada	United States	United Kingdom	Northern Europe	Rest of the World	
Revenues	159.3	52.7	92.4	113.6	72.5	490.5
Less: Subconsultants and direct costs	(27.0)	(7.4)	(22.7)	(15.6)	(10.2)	(82.9)
Net revenues	132.3	45.3	69.7	98.0	62.3	407.6
Adjusted EBITDA	22.6	6.3	9.0	12.3	5.8	56.0
Global corporate costs						(5.8)
Non-operating expenses						(3.1)
Financial expenses						(4.2)
Depreciation and amortization						(14.5)
Share of taxation and amortization of associates						(1.1)
Earnings before income tax						27.3

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	Year-to-date ended Sept. 27, 2014					
	Canada	United States	United Kingdom	Northern Europe	Rest of the World	Total
Revenues	573.6	172.8	322.5	422.3	253.1	1,744.3
Less: Subconsultants and direct costs	(85.9)	(18.1)	(59.9)	(51.5)	(37.8)	(253.2)
Net revenues	487.7	154.7	262.6	370.8	215.3	1,491.1
Adjusted EBITDA	70.9	20.7	25.1	47.0	13.6	177.3
Global corporate costs						(13.9)
Non-operating expenses						(8.0)
Financial expenses						(8.7)
Depreciation and amortization						(49.6)
Share of taxation and amortization of associates						(3.7)
Earnings before income tax						93.4

	Year-to-date ended Sept. 28, 2013					
	Canada	United States	United Kingdom	Northern Europe	Rest of the World	Total
Revenues	473.3	148.2	263.1	393.5	207.5	1,485.6
Less: Subconsultants and direct costs	(78.4)	(17.5)	(64.3)	(52.6)	(31.7)	(244.5)
Net revenues	394.9	130.7	198.8	340.9	175.8	1,241.1
Adjusted EBITDA	57.9	17.6	19.1	41.8	12.5	148.9
Global corporate costs						(17.5)
Non-operating expenses						(5.2)
Financial expenses						(11.0)
Depreciation and amortization						(43.6)
Share of taxation and amortization of associates						(3.6)
Earnings before income tax						68.0

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15. Subsequent Events

a) Acquisition of Parsons Brinckerhoff Group Inc.

On September 3, 2014, the Corporation announced that it had entered into a stock purchase agreement (the "Stock Purchase Agreement") with Balfour Beatty plc and certain of its subsidiaries ("Balfour Beatty") in connection with the acquisition (the "Acquisition") of all of the issued and outstanding capital stock of the entities comprising the business of Parsons Brinckerhoff Group Inc. (collectively, "Parsons Brinckerhoff"), the professional services arm of Balfour Beatty, for a consideration of US\$1,242.5 plus an additional consideration for cash retained by Parsons Brinckerhoff of up to US\$110.0 (the "Purchase Price"), subject to certain closing and post-closing adjustments.

The terms of the Acquisition were approved by the boards of directors of both WSP and Balfour Beatty plc. The Acquisition, which remained subject to certain customary closing conditions, including approval by the shareholders of Balfour Beatty and receipt of applicable antitrust approvals, was completed on October 31, 2014 (the "Acquisition Closing Date").

The Acquisition and other related transaction costs were financed through a combination of:

\$502.0 bought deal public offering of subscription receipts of the Corporation (the "Subscription Receipts") at a price of \$35.85 per Subscription Receipt (the "Offer Price") and additional gross proceeds of \$35.9 million pursuant to the exercise of an Over-Allotment Option;

\$400.0 private placement of subscription receipts of the Corporation (the "Placement Subscription Receipts") at a price of \$35.85 per Placement Subscription Receipt to two existing shareholders, (i) Canada Pension Plan Investment Board ("CPPIB") and (ii) la Caisse de dépôt et placement du Québec ("La Caisse"); and

the implementation of new credit facilities, consisting of a US\$800.0 revolving facility and a US\$400.0 term facility.

The bought deal public offering of subscription receipts of the Corporation was completed on September 22, 2014 and the net proceeds were held in escrow until the Acquisition Closing Date. The gross proceeds are presented as a current financial liability under the caption 'Other current financial liabilities' in the unaudited interim consolidated statement of financial position as at September 27, 2014. The balance of the proceeds, net of 50% of the underwriters's fees, totaling \$492.0 million is presented as Restricted cash in the unaudited interim consolidated statement of financial position as at September 27, 2014.

Due to the limited time between the closing of the acquisition and the issuance of these interim condensed consolidated financial statements, some business acquisition required disclosure items, mainly the preliminary purchase price allocation, have not been provided. The Corporation is in the process of assessing the fair values of the assets acquired and the liabilities assumed.

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During the month of October, the Corporation entered into 9 foreign exchange contracts to purchase approximately \$810.4 US dollars, in exchange for Canadian dollars, at an average CAD/USD rate of approximately 1.12 to fund the Acquisition.

Acquisition-related costs of approximately \$5.0, to date, have been expensed and included in other operational costs.

b) Dividend Equivalent Payment

The Corporation declared a dividend of \$0.375 per Common Share on August 6, 2014, paid on October 15, 2014, to shareholders of record as of September 30, 2014. The holders of Subscription Receipts and Placement Subscription Receipts received such dividend in the form of a dividend equivalent payment upon closing of the Acquisition.

On November 7, 2014, a dividend equivalent payment of \$9.8 was made to holders of the Subscription Receipts and Placement Subscription Receipts of which \$4.2 was reinvested in 124,637 additional shares under the DRIP.

c) New Credit Facilities

WSP had in place a \$600.0 million credit facility (the "Credit Facility" – See note 12) with a syndicate of financial institutions (the "Lenders"). Concurrently with the announcement of the Acquisition, WSP obtained an underwritten financing from Canadian Imperial Bank of Commerce, as sole lead arranger and sole bookrunner, providing for:

a senior secured revolving credit facility in the maximum amount of US\$800.0 to amend and restate the Credit Facility (the "Revolving Credit Facility"), maturing on December 31, 2018; and

a senior secured non-revolving term credit facility consisting of three tranches in the maximum principal amounts of US\$100.0, US\$100.0 and US\$200.0, each available as a single drawdown and maturing on the second, third and fourth anniversaries, respectively, of the Acquisition Closing Date (collectively, the "Term Facility").

d) Acquisition of ccrd

On November 6, 2014, the Corporation made the acquisition of Texas Engineers, Inc. doing business as ccrd ('ccrd'), an engineering firm of 200 people headquartered in Houston, Texas.

16. Comparative figures

Certain comparative figures have been reclassified to conform to the current year presentation.