

2012 ANALYST AND INVESTOR DAY



MARC RIVARD

Marc Rivard: Good afternoon everyone. My name is Mark Rivard, I look after the legacy operation, I can say, for GENIVAR Canada. I guess you guys know us quite more than WSP, so I came in last and I think personally, having worked with these individuals for the last 100 days or so, I must say that Canada's extremely excited by the knowledge, the skills, the projects, the talent that you bring to us.

You know, GENIVAR I think we're very strong regionally based, you know over 100 offices across Canada, and you know, we all are honed. But when it came down to the mega-projects, the big projects, we didn't really have access to that, it was more difficult to us, needed to partner and so forth.

Now with this new merger with WSP really it brings a completely new landscape for us. I think just in the past 90 days, this past week, the amount of clients we've met, the opportunities that are out there to grow, to have access to the bigger projects, the world-class projects for us and Canada, I can say that there's a lot of excitement all across the provinces.

So, and of course guys I'm very grateful for your involvement. Especially (Tom) and (Ali) have been doing a great job actually at leveraging and connecting all of us together. So very excited.

I'd like us to take just a few minutes as well just to talk about where we came from. You know, I joined GENIVAR a bit like Paul and Pierre, I had a first

meeting with Pierre, and I said well I like this company, I think it's going somewhere. We were about a thousand people when I first joined and we are here today and in this, I mean in the last since the IPO we did over 60 acquisitions in Canada mainly, and we integrated that into our operations today, which represent around 5,300 people.

I want you to remember that, or at least acknowledge that integrating 60-some acquisitions, 60-some businesses into one organization, aligning the leadership to think, you know this is the vision, this is where we're going, putting systems in place at the same time. Leveraging our operational platform, and so forth, it's been a lot of hard work, I must say, okay, but I think we've really demonstrated and we've done it with success. Why? Because we manage people, we care, we do it in a respectful fashion and so forth.

So I'm very happy in the sense that this year we've completed our 2012 view with employee survey, and Pierre has mentioned before, we've been focusing on a transition from ownership to leadership. And we've done that, and these are challenges of course but we deal with professionals and this year, we crossed into the zone that we call the best employer category. Okay, so we're very happy by that.

According to you, with the amount of acquisitions we've done and so forth to be on this journey and increasing our engagement year over year, as we have done and now being part of the, you know, best employer category, mind you we're at the bottom of the pack in terms of where the scale is, but we're on the right journey. But what we've been doing shows to me that we're taking the right steps.

Basically focusing on our leadership, managing not only projects, I mean project is one part of our business, but if we have an engaged workforce and staff that care and all this, the profits and the margins will come. You know, and that's a fact. So, for us we're very happy with what we've accomplished, and I'd be happy to answer any questions further after that, in regards to this.

So I think Canada, I mean we are a pretty, a somewhat mature, I think we're mature, we have room to grow in my mind, there's no doubt. I mean, I think now it's going to be to find out where's the best way, and where in what country and so forth, but in Canada there's still room to grow. We're very active in the building sector, that's our strongest, which bodes well with WSP, and this is where I'm excited because I think of some of the large-scale projects we can really bring in the expertise from New York.

We're already collaborating on many projects and proposals together. So you know it's just a matter of time now that we're going to be successful in winning projects.

Municipal infrastructure, about 17%, a bit tougher business these days. Transportation, I would say is also a solid business in most province. Industrial and energy, 19% and environment 10%. Again, very much like Sweden and the rest of the WSP organization, we have a multitude of clients across the scale basically, almost half and half public private, very good mix. Something like 17, five thousand ongoing projects when I get every month the spreadsheet with listing all the projects and all this, it's pretty impressive, and what I like about this is that there's not a single project that really accounts for a large portion of our fees. So you know if a project is put on hold for whatever reason, you know, we continue with business and so on.

What I also like about us is that we're very agile. And what I mean by that, we can still have a \$1,200 fee assignment and it opened the project in the system and do all of the administrative that we need to do and still make money on that project. And to me that shows our agility, you know some large-scale firms tend to have some bureaucracy, some red tape. And create a lot of things. Our focus is really to, as Pierre mentioned so many times, operational excellence, but that only goes with the project, it also goes with the back office. So we want to be a top performer in that area.

Our market presence, obviously Quebec is, I mean that's our roots and definitely our more mature market. And I think with the grayscale here we can

see that. You know, with the exception of energy it's a very mature market for us. Atlantic Canada, lots of room for growth, and as you can see I think from this graph I know there was a question this morning about, you know, where there might be possibilities. I mean Alberta obviously is a solid economy, and we're very strong in transportation and again lots of room for growth there. So we're going to be fighting for money Pierre to grow Canada, okay?

Outlook, building. Again, building is our strongest market segment. The, it's a stable environment, it's I would say that there is some access to a lot of P3s right now, hospitals in Toronto and so forth, yeah I would say stable. We have a pretty good, ongoing clients that like the WalMarts, the McDonalds, the Target program that's being delivered here in Canada right now, is, you know, it's all good business for us.

For Target, a program like Target, when they first came to Canada, I mean they bought Zellers and they're investing a couple of billion dollars. Just some quick statistics here for us is that we are delivering the Target program out of 17 offices connected together. All BIM and basically from coast-to-coast, and we're doing absolutely everything, from the architecture, the civil, the mechanical, the electrical and so on.

You can imagine, you know, we're still not a, I would say we're not a mature business in the sense that we're an adolescent growing into an adult, because of all the acquisitions and so forth. So for us it's been a great learning experience and it's connecting people together, and the one common thing is people are very eager and they're very proud of working on this particular assignment.

It's a different challenge than the type of project that you might deliver like Daysteam, with the high rises and so forth because here you are working multiple sites, multiple projects and multiple conditions and extremely fast track, so we're basically designing over half a billion of construction in less than a year, out of 17 offices, so that's the agility that we have and capable of doing, which we're very proud of.

Municipal infrastructure, definitely there's a lot of pressure on pricing in municipal infrastructure across, but we're still owning our own. Again, with our regional model, you know, we are able to win some larger assignments in these smaller municipalities where we bring in the global expertise or in this case some Canadian expertise of course from the larger centers and so forth. So it's still a very competitive market.

Transportation, I mean I live in Ottawa so every time I come to Montreal I'm always afraid when I drive under the Turcot interchange, so I try to come early so I can drive fast. Just in case. So you know, I think there's still lots of money to be spent in transportation.

Ontario, transportation is tougher for a number of reasons. They're going to be changing, however their bidding process and how, so I think that could help us bring the Quebec expertise into Ontario, so we're looking to see how that's going to evolve, actually we're not quite sure but it looks like they're going to be changing their process so hopefully that will leverage our expertise here in Quebec and be able to do that in Ontario, which we have done very successfully out of Alberta into Saskatchewan. So hopefully we can do the same in Ontario with our transportation.

Outlook industrial is a sector right now that's been doing good, especially with the resource base like mining and oil and gas. Our oil and gas obviously we do a lot of the opex and small capex so I think the business has been very good for us in Alberta and hopefully 2013, you know, indication says that with that type of maintenance work and not big capex, we should be able to maintain a good, strong foothold in that industry.

Energy, we're, I think we're good in the basically renewable energy. I will show you a project, a big solar farm that we've done in eastern Ontario which is, I would say is probably one of the biggest ones in Canada, definitely. So I think we're good, there is pressure here as well, I mean the hydros and so forth, they all have, they're all government based, so same ideas, so difficult

to get access to money. But then again, the backlog is sustained there and okay.

Outlook environment. Quebec environment I would say we're top-tier player, no doubt. We recently appointed (Anton Bouchard) as our new national vice president for environmental sector. (Andre Martin) has been very, very good in building the environmental group here in Quebec. So he's been in Ontario, Alberta and so forth, so we're developing our strategies to continue the growth and hopefully bring the same type of success as we have here in Quebec into strengthening the other provinces and so forth.

Canadian economic outlook. Well, I think you guys probably know lots and lots about this, I mean so far as you saw on the slide that Alex delivered earlier, our backlog has been increasing. We've put in since last year working very hard on our client resource management system, where we track all of our proposal activities into three buckets, basically prospects, which is something that has not hit the street yet but that we're looking at and so forth.

Proposals, proposals are basically a section that they are proposals in current writing that we're writing and being submitted in the next week, two weeks, three weeks, whatever. And then pending is our proposals that we have submitted and are basically waiting to here.

So with those type of intelligence right now as the information is, because we have about a year's worth now, is getting solid and should provide us a lot of visibility. And this system, the way it's been designed is it goes right down to the business unit, so each business unit can manage the business that way and we can have a little bit more visibility of the market and how the proposal activity behaves in terms of the outlook. So hopefully, you know, we can react to the market faster as just not having that intelligence at all.

Western Canada, Alberta, Saskatchewan, obviously they're riding their resource boom. The challenge we have in Saskatchewan and some of our guys here find Saskatoon a funny name, but still Saskatoon and our Regina

office and so forth is always be finding the talent because there's not enough talent right now.

We could probably grow the business but it's difficult to find talent, so in conversations with Paul yesterday and so forth you know, we're going to look at possibly, since England has some challenges with the work there, we're going to look at see how we can leverage the new relationship and try to grow the business that way.

British Columbia and Manitoba is stable, there's definitely some growth opportunities in the building environment, mining and oil and gas, as similar to what Dave was saying, I mean we all know the population's getting older so there's a lot of money being spent in health care, long-term care and so forth. The Alberta basically said "Well. We're not going to spend too much money in transportation this year but you know, we're going to increase our program for health care as well as higher education." So hopefully we're going to get a piece of that.

Ontario definitely a very, very competitive market. You know, four or five years ago, most of Ontario there was some American firms and some international firms but I would say in the last four years I mean the big firms, the big US firms have come up in this market and put a lot of pressure on margins, a lot of pressure on the price of the projects and actually now you bid a project, you might have 50 submissions on an actual submission, and then you know, they'll short list three, do interviews and so forth. So obviously that puts a lot of pressure for the Ontario people.

Nevertheless, we have many business that are doing extremely well, so the pressure on Ontario is really the infrastructure-type market, is where the pressure is, transportation as well as the municipal infrastructure.

Quebec is still, you know, obviously because it's our very mature market for GENIVAR, it's still a strong market. There's a lot of good environmental activities, our transportation division is doing very well, there's access

obviously as I was saying a little bit earlier with the (unintelligible) Champlain, the Turcot interchange, the (unintelligible), but there still seems to be a lot of good activities and hopefully you know, we're going to get our piece of that as well.

Atlantic Canada has been, quite frankly even though it's an area of Canada that's not the richest of course and so forth, I mean our guys have shown the largest organic growth in our business has been in Atlantic Canada actually because they've been able to cross-sell and cross-leverage a lot of what we do as a larger organization. We just won a major project in Halifax which is a municipal infrastructure project that they won with our Markham expertise. On their own they would not have had access or won that project, so for us, you know that is a good news story that we build upon.

Our Canadian growth strategy obviously, our plan has always been to be a top tier in every region to be able to provide you know the one-stop shop as we say. So for us it's always been our focus as you saw in a previous slide, there's still lots of room for growth in Canada, we're going to be strategic as we always are.

We're very careful, I mean Pierre has mentioned this before and I had some questions during the lunch break, you know, about integrations and so forth. We're in the people business, we manage talent, we manage professionals, so I mean if our vision, culture, and values are not aligned, you know, it would make it very difficult for us to do a good deal. So those are the criteria always that we look for, values are very important for us.

With the help of (Tom) what we're going to be leveraging right now is part of the global account and also we're also going to develop some key accounts here in Canada in similar fashion. We have hired a new person that joined us two weeks ago for, as a director of business strategy, (Tracy Ernsting) is in the room with us today. She will be working very closely with (Ali) and (Tom) and for leveraging this.

We're going to put the basically import the systems that WSP had and on top of that we're going to be seconding one individual for a period of five to six months to help us from the UK actually, to help us put in place all of these so we can really monitor and create these cross-selling opportunities.

Few projects, I'm not going to go through it too much. The Highway 25 in Montreal which Pierre mentioned before, done with, as a PPP.

BC Place Stadium, we just won an engineering award for this project. I took down a few notes here because I thought there were interesting statistics on this particular project. Yeah, so this, yeah we were replacing the air-suspended roof by a gravity-suspended roof, but what was interesting to me was that we added something like 18 million kilograms of weight on this roof, plus another 7 million kilograms of snow. So I said wow, okay, this is, must have been a challenge. So our structural team basically did the design and did the seismic, obviously it's a zone where there's, in BC that I think you know that, right, it's on a fault line.

So anyway, so we've recently won an award for this, we're very happy, which is the ACC award.

Heritage Museum of Human Rights, this is done with our partners at Smith Carter, this is in Winnipeg. This is a lead silver certification, it's a \$226 million facility, it's going to be completed in 2014. It's an interesting structure, every time I walk by it when I'm in our Winnipeg office, it is what it is, I'm not quite sure how they're going to put the stuff inside, but, I don't know.

This is the solar farm I was referring to a little bit earlier, 19 megawatts of solar. This has 312,000 solar panels installed on 13,000 racks and it's about 200 acres, the entire site. So it's quite the facility.

Canadian (unintelligible) gold mine, this is the, one of the largest open-pit gold mines in North America, we've been involved since the very, very beginning of this project since 2007 getting all of the permitting in place and

so forth, and we've been involved since then, and the social acceptability of this project basically has been accepted at an 87% acceptability and basically we had to move the town to dig under.

So I mean this was a massive project for us but again, part of the environmental, how important it is today in the market to go and win work and so forth that that credibility, our guys here obviously Quebec have done a fabulous job.

Manitoba, Hydro Place in Winnipeg, this facility again done with our Smith Carter partners is maybe not to the same scale as (Dave)'s project, but nevertheless we're pretty happy and proud because again lead platinum certification and in terms of, it's about a \$278 million project, and uses 65% less energy than as prescribed in the national model energy code. So again, the greening and also that type of aspects. So for us working with (Dave)'s team and so forth in New York, we're going to be extremely, I think we're going to be able to leverage those services nicely. So on that note, I believe that's it. Any questions?

Man: I have a question. It's not a question, it's a joke. Is gravity suspended an oxymoron? I'm not an engineer, although my father would have wanted me to be one.

Marc Rivard: Hey, I'm an electrical engineer so I can't answer. You've asked a structural. No questions? No?

Man: Yeah Mark, you mentioned that, I think you mentioned that you took the account management way of WSP and you're trying to implement that at GENIVAR. So this is one example of process of course we can see that you are importing into GENIVAR. Do you have any other big examples after 100 days?

Marc Rivard: Well I think you know, again we're in the early stage and we're evaluating things. When I was in Stockholm I looked at what Ricard has done in terms of

their, they call it AMS, Assignment Management System. And it's very, you know, it's project based and so forth and so we were looking at that, I said, "Wow, this is something again that can probably bring in." Another example is that the New York office and the (Dave)'s, they're a lot more advanced than we are, the whole WSP organization is a lot more advanced and BIM, building information modeling as we design now.

So these are the type of things, obviously that these are quick wins for us that we want to start to import and leveraging as Paul was mentioning, you know we need to get more efficient, better at using technology to deliver projects faster, better and so forth and maintaining quality. So these are the type of things, to me these are quick wins that, absolutely. Absolutely. Yeah. That's it? Pierre.