FOR THE YEAR ENDED DECEMBER 31, 2017

CONSOLIDATED FINANCIAL STATEMENTS
AUDITED

MARCH 14, 2018



wsp



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WSP GLOBAL INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017, AND 2016

(in millions of Canadian dollars)

	2017	2016
Assets	**$**	**$**
Current assets		
Cash (note 6)	185.1	230.8
Restricted cash	6.8	5.1
Trade, prepaid and other receivables (note 7)	1,554.7	1,414.5
Income taxes receivable	18.0	31.5
Costs and anticipated profits in excess of billings	905.0	824.0
	2,669.6	2,505.9
Non-current assets		
Other assets (note 8)	113.0	111.9
Deferred income tax assets (note 21)	91.4	78.9
Property and equipment (note 9)	315.4	292.7
Intangible assets (note 10)	355.2	355.7
Goodwill (note 11)	2,979.0	2,783.6
Total assets	**6,523.6**	**6,128.7**
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 13)	1,361.9	1,213.5
Billings in excess of costs and anticipated profits	483.8	483.4
Income taxes payable	47.9	38.5
Dividends payable to shareholders (note 22)	38.7	38.0
Current portion of long-term debts (note 14)	276.3	135.9
Other current financial liabilities (note 15)	45.8	18.1
	2,254.4	1,927.4
Non-current liabilities		
Long-term debts (note 14)	882.4	914.2
Other non-current financial liabilities (note 15)	25.4	13.9
Provisions (note 13)	121.2	128.6
Retirement benefit obligations (note 16)	206.7	218.1
Deferred income tax liabilities (note 21)	74.5	66.0
Total liabilities	**3,564.6**	**3,268.2**
Equity		
Equity attributable to shareholders		
Share capital (note 17)	2,577.4	2,491.6
Contributed surplus	204.2	203.3
Accumulated other comprehensive income	86.0	132.8
Retained earnings	91.4	31.9
	2,959.0	2,859.6
Non-controlling interest	—	0.9
Total equity	**2,959.0**	**2,860.5**
Total liabilities and equity	**6,523.6**	**6,128.7**
Commitments and contingencies (note 26)		

Approved by the Board of Directors

(signed) Alexandre L'Heureux Director

(signed) Louis-Philippe Carrière Director

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

WSP GLOBAL INC.
CONSOLIDATED STATEMENTS OF EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 2017, AND 2016

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

	2017	2016
	$	$
Revenues	**6,942.2**	**6,379.6**
Personnel costs	4,112.9	3,704.4
Subconsultants and direct costs	1,585.6	1,484.5
Occupancy costs	227.8	226.8
Other operational costs	473.6	470.6
Acquisition and integration costs (note 19)	28.4	32.9
Depreciation of property and equipment	79.6	78.4
Amortization of intangible assets	89.2	81.1
Exchange loss (gain)	(6.9)	(2.0)
Share of income of associates and joint ventures (net of tax)	(0.3)	(0.1)
Total net operational costs	**6,589.9**	**6,076.6**
Net finance expenses (note 20)	36.9	37.2
Earnings before income taxes	**315.4**	**265.8**
Income-tax expense (note 21)	102.1	67.1
Net earnings for the period	**213.3**	**198.7**
Net earnings attributable to:		
Shareholders	213.3	199.1
Non-controlling interests	—	(0.4)
	213.3	198.7
Basic net earnings per share attributable to shareholders	2.08	1.97
Diluted net earnings per share attributable to shareholders	2.08	1.97
Basic weighted average number of shares	102,448,943	100,883,512
Diluted weighted average number of shares	102,576,410	100,919,789

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

(in millions of Canadian dollars)

	2017 $	2016 $
Comprehensive income		
Net earnings for the period	213.3	198.7
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to net earnings		
Currency translation adjustments (net of tax expense/ (recovery) of ($5.0) (($2.0) in 2016))	(73.9)	(160.7)
Fair value re-evaluations – available-for-sale assets (net of tax expense/(recovery) of $2.1 ($0.3 in 2016))	5.7	0.7
Translation adjustments on financial instruments designated as net investment hedge (net of tax expense/(recovery) of $4.0 ($2.1 in 2016))	25.6	13.5
Items that will not be reclassified to net earnings		
Actuarial gain/(loss) on pension schemes (net of tax expense/ (recovery) of ($3.4) (($7.4) in 2016)) (note 16)	(4.2)	(33.9)
Total comprehensive income for the period	**166.5**	**18.3**
Comprehensive income attributable to:		
Shareholders	166.5	18.7
Non-controlling interests	—	(0.4)
	166.5	**18.3**

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

(in millions of Canadian dollars)

	Attributable to Shareholders						
	Share capital $	Contributed Surplus $	Retained earnings (deficit) $	Accumulated other comprehensive income $	Total $	Non-controlling interests $	Total equity $
Balance - January 1, 2016	**2,409.7**	**201.7**	**(8.2)**	**313.2**	**2,916.4**	**(4.7)**	**2,911.7**
Common shares issued under the DRIP (note 17)	81.9	—	—	—	81.9	—	81.9
Stock-based compensation expense	—	1.6	—	—	1.6	—	1.6
Comprehensive income							
Net earnings for the period	—	—	199.1	—	199.1	(0.4)	198.7
Actuarial gain/(loss) on pension schemes (net of tax)	—	—	—	(33.9)	(33.9)	—	(33.9)
Currency translation adjustments	—	—	—	(160.7)	(160.7)	—	(160.7)
Fair value re-evaluations – available-for-sale assets (net of tax)	—	—	—	0.7	0.7	—	0.7
Net investment hedge (net of tax)	—	—	—	13.5	13.5	—	13.5
Total comprehensive income	**—**	**—**	**199.1**	**(180.4)**	**18.7**	**(0.4)**	**18.3**
Declared dividends to shareholders (note 22)	—	—	(150.8)	—	(150.8)	(1.3)	(152.1)
Purchase of non-controlling interest	—	—	(8.2)	—	(8.2)	7.3	(0.9)
Balance - December 31, 2016	**2,491.6**	**203.3**	**31.9**	**132.8**	**2,859.6**	**0.9**	**2,860.5**

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

WSP GLOBAL INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017, AND 2016

(in millions of Canadian dollars)

	Attributable to Shareholders						
	Share capital $	Contributed Surplus $	Retained earnings (deficit) $	Accumulated other comprehensive income $	Total $	Non-controlling interests $	Total equity $
Balance - January 1, 2017	**2,491.6**	**203.3**	**31.9**	**132.8**	**2,859.6**	**0.9**	**2,860.5**
Common shares issued under the DRIP (note 17)	82.7	—	—	—	82.7	—	82.7
Exercise of stock options (notes 12 and 17)	3.1	(0.5)	—	—	2.6	—	2.6
Stock-based compensation expense (note 12)	—	1.4	—	—	1.4	—	1.4
Comprehensive income							
Net earnings for the period	—	—	213.3	—	213.3	—	213.3
Actuarial gain/(loss) on pension schemes (net of tax)	—	—	—	(4.2)	(4.2)	—	(4.2)
Currency translation adjustments	—	—	—	(73.9)	(73.9)	—	(73.9)
Fair value re-evaluations – available-for-sale assets (net of tax)	—	—	—	5.7	5.7	—	5.7
Net investment hedge (net of tax)	—	—	—	25.6	25.6	—	25.6
Total comprehensive income	**—**	**—**	**213.3**	**(46.8)**	**166.5**	**—**	**166.5**
Declared dividends to shareholders (note 22)	—	—	(153.8)	—	(153.8)	—	(153.8)
Disposal of subsidiary	—	—	—	—	—	(0.9)	(0.9)
Balance - December 31, 2017	**2,577.4**	**204.2**	**91.4**	**86.0**	**2,959.0**	**—**	**2,959.0**

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

WSP GLOBAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017, AND 2016

(in millions of Canadian dollars)

	2017 $	2016 $
Cash flows generated from (used in) operating activities		
Net earnings for the period	213.3	198.7
Adjustments (note 23a))	139.7	133.2
Income tax expenses (note 21)	102.1	67.1
Income taxes paid	(58.8)	(46.6)
Net finance expenses (note 20)	36.9	37.2
Change in non-cash working capital items (note 23b))	(37.8)	(2.8)
Net cash generated from (used in) operating activities	**395.4**	**386.8**
Cash flows generated from (used in) financing activities		
Dividends paid to shareholders	(70.4)	(68.0)
Net variation in long-term debts (note 23 d))	66.8	81.4
Repayment of other financial liabilities	(15.1)	(2.5)
Finance expenses paid and financing costs	(36.5)	(36.1)
Issuance of common shares, net of issuance costs	2.6	—
Dividends paid to a non-controlling interest	—	(1.3)
Net cash generated from (used in) financing activities	**(52.6)**	**(26.5)**
Cash flows generated from (used in) investing activities		
Business acquisitions (note 4)	(291.9)	(166.9)
Additions to property and equipment	(79.7)	(108.8)
Proceeds from disposal of property and equipment	4.8	2.5
Additions to intangible assets	(24.4)	(35.6)
Other	(3.3)	(0.3)
Net cash generated from (used in) investing activities	**(394.5)**	**(309.1)**
Effect of exchange rate change on cash	(0.2)	(22.9)
Net change in cash	**(51.9)**	**28.3**
Cash, net of bank overdraft – Beginning of period	230.5	202.2
Cash, net of bank overdraft (note 6) - End of period	**178.6**	**230.5**

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

NOTES

1	BUSINESS DESCRIPTION	10
2	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	10
3	CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS	21
4	BUSINESS ACQUISITIONS	22
5	JOINT ARRANGEMENTS	28
6	CASH	29
7	TRADE, PREPAID AND OTHER RECEIVABLES	29
8	OTHER ASSETS	31
9	PROPERTY AND EQUIPMENT	32
10	INTANGIBLE ASSETS	33
11	GOODWILL	34
12	LONG-TERM INCENTIVE PLANS ("LTIPs")	36
13	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	38
14	LONG-TERM DEBTS	39
15	OTHER FINANCIAL LIABILITIES	41
16	PENSIONS SCHEMES	41
17	SHARE CAPITAL	46
18	CAPITAL MANAGEMENT	47
19	ACQUISITION AND INTEGRATION COSTS	48
20	NET FINANCE EXPENSES	48
21	INCOME TAXES	49
22	DIVIDENDS	52
23	STATEMENTS OF CASH FLOWS	53
24	RELATED PARTY TRANSACTIONS	55
25	FINANCIAL INSTRUMENTS	56
26	COMMITMENTS AND CONTINGENCIES	60
27	SEGMENT INFORMATION	61

(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 consulting firm which provides technical expertise and strategic advice to clients in the transportation & infrastructure, property & buildings, environment, industry, resources (including mining and oil and gas) and power & energy sectors. The Corporation also offers highly specialized services in project and program delivery and advisory services. The address of its main registered office is 1600, René-Lévesque Boulevard West, Montreal, Quebec.

The common shares of the Corporation are listed under the trading symbol "WSP" on the Toronto Stock Exchange ("TSX").

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") and IFRS Interpretation Committee Interpretations ('IFRC IC') as defined in Part I of the Handbook of the Chartered Professional Accountants of Canada and adopted by the International Accounting Standards Board. These 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 the consolidated statement of comprehensive income.

These financial statements were approved by the Corporation's Board of Directors on March 14, 2018.

CONSOLIDATION, JOINT ARRANGEMENTS AND ASSOCIATES

These consolidated financial statements include the accounts of the Corporation and its subsidiaries for the years ended December 31, 2017, and 2016.

Non-controlling interests represent equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries, attributable to non-controlling interests, is disclosed as a component of equity. Their share of net earnings and comprehensive income is recognized directly in equity. Changes in the parent Corporation's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

All intercompany transactions and balances have been eliminated.

SUBSIDIARIES

Subsidiaries are all entities (including structured entities) over which the Corporation has control. The Corporation controls an entity when the Corporation is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Corporation. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains/losses on transactions between group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the group's accounting policies.

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

JOINT ARRANGEMENTS

Joint arrangements are classified as either joint operations or joint ventures. The determination of whether an arrangement is a joint operation or joint venture is based on the rights and obligations arising from the contractual obligations between the parties to the arrangement. Joint arrangements that provide the Corporation with the rights to the individual assets and obligations arising from the arrangement are classified as joint operations and joint arrangements that provide the Corporation with rights to the net assets of the arrangement are classified as joint ventures.

The interests in joint arrangements that are classified as joint operations are accounted for by the Corporation recording its pro rata share of the assets, liabilities, revenues, costs and cash flows using the most recent financial statements of these joint arrangements available.

The interests in joint arrangements that are classified as joint ventures are accounted for using the equity method and disclosed as an investment in the statements of financial position.

ASSOCIATES

Associates are all entities over which the Corporation has significant influence but not control. Investments in associates are accounted for using the equity method.

FOREIGN CURRENCY

The consolidated financial statements are presented in Canadian dollars, which is WSP's functional currency.

Items included in the financial statements of each of the Corporation's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the consolidated statements of earnings, except when deferred in other comprehensive income as qualifying for net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash are disclosed within finance expenses.

Assets and liabilities of entities with functional currencies other than the Canadian dollar are translated at the period-end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The resulting changes are recognized in accumulated other comprehensive income in equity as currency translation adjustments.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing the performance of the operating segments and has been identified as the global leadership team ("GLT"). The Corporation manages through four reportable operating segments, which are the following: Canada, Americas (USA and Latin America), EMEIA (Europe, Middle East, India and Africa) and APAC (Asia Pacific – comprising Asia, Australia and New Zealand).

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

REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Corporation's activities. Revenue is shown net of value-added tax and after eliminating sales within the group.

The Corporation recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Corporation's activities as described below. The Corporation bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenues and profits from cost-plus contracts with ceilings and from fixed-price contracts are accounted for using the percentage-of-completion method, which is calculated on the ratio of contract costs incurred to total anticipated costs.

Revenues and profits from cost-plus contracts without stated ceilings and from short-term projects are recognized when costs are incurred and are calculated based on billing rates for the services performed.

Certain costs incurred by the Corporation for subconsultants and other expenses that are recoverable directly from clients are billed to them and therefore are included in revenues. The value of goods and services purchased by the Corporation, when acting as a purchasing agent for a client, is not recorded as revenues.

The effect of revisions to estimate revenues and costs is recorded when the amounts are known and can be reasonably estimated. These revisions can occur at any time and could be significant. Where total contract costs exceed total contract revenues, the expected loss is recognized as an expense immediately via a provision for losses to completion, irrespective of the stage of completion and based on a best estimate of forecast results including, where appropriate, rights to additional income or compensation, where they are probable and can be determined reliably.

PERSONNEL COSTS

Personnel costs include all payroll costs relating to the delivery of consulting services and projects and administrative salaries, such as finance, information technologies, human resources and communications.

SUBCONSULTANTS AND DIRECT COSTS

Subconsultants and direct costs include subconsultant costs and other direct costs incurred to deliver consulting services and that are recoverable directly from the clients.

OTHER OPERATIONAL COSTS

Other operational costs include but are not limited to fixed costs, such as non-recoverable client services costs, technology costs, professional services costs and insurance.

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

ACQUISITION AND INTEGRATION COSTS

Acquisition and integration costs are items of financial performance which the Corporation believes should be separately identified on the face of the consolidated statement of earnings to assist in understanding its operating financial performance.

Acquisition and integration costs include the following:

- Transaction costs related to business acquisitions (successful or not)
- Costs of integrating newly acquired businesses (up to 24 months from date of acquisition)

The above are examples; however, from time to time, it may be appropriate to disclose other items under this caption in order to highlight the operating financial performance of the Corporation.

FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are initially recognized at fair value, and their subsequent measurements are dependent on their classification, as described below. The classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Corporation's designation of such instruments.

LOANS AND RECEIVABLES

Trade and other receivables and costs and anticipated profits in excess of billings are classified as loans and receivables. Financial assets classified as loans and receivables are accounted for at amortized cost using the effective interest rate method less any impairment loss.

AVAILABLE FOR SALE FINANCIAL ASSETS

Financial assets available for sale are non-derivatives, are carried at their fair value and recorded in non-current assets, unless it is anticipated that they will be sold within twelve months of the statement of financial position date. Realized gains or losses arising from changes in the fair value of available for sale assets are included in the consolidated statement of earnings in the period in which they are realized. Unrealized gains and losses are recorded in other comprehensive income.

OTHER LIABILITIES

Accounts payable and accrued liabilities, dividends payable to shareholders, long-term debts, and other financial liabilities are classified as other liabilities and are recorded at amortized cost using the effective interest rate method.

DEFERRED FINANCING FEES

Deferred financing fees are capitalized and amortized over the life of the credit facilities agreement.

DETERMINATION OF FAIR VALUE

The fair value of a financial instrument is the amount of consideration that would be agreed to be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Subsequent to initial recognition, the fair values of financial instruments that are quoted in active markets are based on bid prices for financial assets held and offer prices for financial liabilities. When independent prices are not available, fair values are

determined by using valuation techniques that refer to observable market inputs and minimizing the use of unobservable inputs.

OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Corporation designates certain derivatives as either:

(a) hedges of the fair value of recognized assets and liabilities or a firm commitment (fair value hedge);

(b) hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or

(c) hedges of a net investment in a foreign operation (net investment hedge).

The Corporation documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Corporation also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

FAIR VALUE HEDGE

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the consolidated statements of earnings together with any changes in the fair value of the hedged asset or liability that are attributable to the hedge risk.

CASH FLOW HEDGE

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statements of earnings.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the consolidated statements of earnings. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated statements of earnings.

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

NET INVESTMENT HEDGE

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in the consolidated statements of earnings.

Gains and losses accumulated in equity are transferred to the consolidated statements of earnings if a foreign operation is sold.

CASH

Cash consists of cash on hand and balances with banks. For the purposes of the cash flow statement, cash is net of bank overdraft.

TRADE RECEIVABLES

Trade receivables are amounts due from customers for the rendering of services in the ordinary course of business. Trade receivables are classified as current assets if payment is due within one year or less. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost, less impairment.

INVESTMENTS

Investment held in a jointly controlled entity is accounted for using the equity method. Investments in securities are accounted for at fair value with unrealized gains or losses recognized in other comprehensive income. Investments in associates are accounted for using the equity method.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated statement of earnings during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the methods described below to allocate their cost to their residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation methods are reviewed at each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

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

The following table summarizes the depreciation methods, rates and periods used:

	Methods	Rates and periods
Buildings	Declining balance	1% to 4%
Leasehold improvements	Straight-line	Lease term
Furniture and equipment	Declining balance	10% to 33%
Computer equipment	Straight-line/Declining balance	3 to 8 years

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statements of earnings within other operational costs.

INTANGIBLE ASSETS

SOFTWARE AND NON-COMPETITION AGREEMENTS

Software and non-competition agreements acquired separately from a business acquisition are carried at cost less accumulated amortization and accumulated impairment losses.

INTANGIBLE ASSETS ACQUIRED IN BUSINESS ACQUISITIONS

Intangible assets acquired in business combinations consist of software, customer relationships, contract backlogs and trade names. They are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date. They are carried at cost less accumulated amortization and accumulated impairment losses.

AMORTIZATION

Software, contract backlogs, customer relationships, certain trade names and non-competition agreements are considered intangible assets with finite useful lives. Based on the strength, long history and expected future use, certain trade names are indefinite-lived intangible assets. The useful life of intangible assets that are not being amortized is reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment. If not, the change in the assessment from indefinite to finite will be accounted for as a change in accounting estimates.

Intangible assets are amortized as follows:

	Method	Periods
Software	Straight-line	3 to 7 years
Contract backlogs	Straight-line	1 to 9 years
Customer relationships	Straight-line	2 to 14 years
Trade names	Straight-line	3 to 8 years
Non-competition agreements	Straight-line	3 to 5 years

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

IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets with finite useful lives are reviewed for impairment when events or circumstances indicate that the carrying amount may not be recoverable. Indefinite-lived assets are not subject to amortization but are tested for impairment on an annual basis on the first day of the Corporation's fourth quarter, or more frequently if events or circumstances indicate that the carrying value may not be recoverable. Impairment exists when the recoverable amount of an asset is less than its carrying value. The recoverable amount is the higher of the asset's fair value less costs to sell ("FVLCS") and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit or "CGU"). The amount of impairment loss, if any, is the excess of the carrying value over its recoverable amount. Assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

GOODWILL

Goodwill represents the excess of the consideration transferred for the acquired businesses over the estimated fair value at the acquisition date of net identifiable assets acquired. Goodwill is not subject to amortization and is carried at cost less accumulated impairment loss but is tested for impairment on an annual basis or more frequently if events or circumstances indicate that it might be impaired.

For the purpose of impairment testing, goodwill is allocated to each CGU expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually on the first day of the Corporation's fourth quarter, or more frequently if events or circumstances indicate that the carrying value may not be recoverable. If the higher of the recoverable amount of the CGU's fair value less costs to sell (FVLCS), or its value in use is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit prorata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill cannot be reversed in a subsequent period.

TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. Trade payables are recognized initially at fair value and subsequently measured at amortized cost.

PROVISIONS

Provisions represent liabilities of the Corporation for which the amount or timing is uncertain. Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the expected expenditures to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

LONG-TERM INCENTIVE PLANS ("LTIPs")

The Corporation has in place LTIPs for key management personnel under which stock options, cash-settled performance share units ("PSUs"), cash-settled deferred share units ("DSUs") and cash-settled restricted share units ("RSUs") have been and can be issued. Stock options, PSUs and RSUs vest over time in accordance with the terms of the grant. DSUs vest when granted. The instruments pertaining to the LTIPs are calculated at fair value, by applying a pricing model at the end of each

reporting period and recorded in non-current liabilities (PSUs, DSUs and RSUs) and in equity (for options) over the vesting period.

INCOME TAXES

Income tax is recognized in the consolidated statements of earnings except to the extent that it relates to a business combination, or items recognized in other comprehensive income or directly in equity.

Current tax expense is the expected tax payable or receivable on taxable income or loss for the period, calculated using tax rates and laws that were enacted or substantively enacted for the reporting period.

The Corporation follows the liability method when accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for the expected future tax consequences attributable to temporary differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases. This approach also requires the recording of deferred income tax assets related to operating losses and tax credit carry forwards. Deferred income tax assets and liabilities are measured using enacted or substantively enacted income tax rates applicable when temporary differences and carry forwards are expected to be recovered or settled. Deferred income taxes are not recognized for the initial recognition of goodwill, the initial recognition of assets or liabilities that affects neither accounting nor taxable profit or loss, and temporary differences related to investments in subsidiaries and joint ventures where the Corporation controls the reversal of the temporary difference and reversal is not expected in the foreseeable future.

Deferred income tax assets for unused tax loss carry forwards and deductible temporary differences are only recognized when it is probable that there will be future taxable profits against which the assets can be utilized. Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are disclosed as non-current. They are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority on either the same taxable entity or different entities where there is an intention to settle the balance on a net basis.

As tax legislation is complex and subject to interpretation, in determining current and deferred income taxes, the Corporation takes into account the impact of uncertain tax positions and whether additional taxes and penalties may be due. This assessment, based on judgment, requires estimates and assumptions considering facts and circumstances existing as at the reporting period. Estimates are reviewed each reporting period and updated, based on new information available.

GOVERNMENTAL ASSISTANCE AND INVESTMENT TAX CREDITS (ITCs)

Governmental assistance and ITCs are recorded when there is reasonable assurance that the Corporation will comply with all the relevant conditions and that the governmental assistance or ITCs will be received. Governmental assistance and ITCs are subject to examination and approval by regulating authorities, and, therefore, the amounts granted may differ from those recorded. Governmental assistance and ITCs determined to be earned by the Corporation are recorded as a reduction of the operating expenses incurred.

LEASES

Leases are classified as either operating or finance, based on the substance of the transaction at inception of the lease. The Corporation leases certain office premises and equipment in which a significant portion of the risks and rewards of ownership are retained by the lessor. These are classified as operating leases. Payments made under these leases (net of any

incentives received from the lessor) are charged to the consolidated statements of earnings on a straight-line basis over the period of the lease.

Finance leases which transfer to the Corporation substantially all the risks and benefits of ownership of the asset are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Finance expenses are charged to the statements of earnings over the period of the agreement. Obligations under finance leases are included in other financial liabilities net of finance costs allocated to future periods. Capitalized leased assets are depreciated over the estimated life of the asset or the lease term.

PENSION SCHEMES

The Corporation maintains a number of defined contribution schemes and contributions are charged to the consolidated statements of earnings in the year in which they are due. In addition, the Corporation operates defined benefit schemes which require contributions to be made to separately administered funds. The cost of providing benefits under defined benefit schemes is determined separately for each scheme using the projected unit credit actuarial valuation method. Current and past service costs together with curtailment and settlement costs are charged to operational costs. Interest costs which are based on a notional charge based on scheme liabilities during the year, less expected returns on scheme assets, are charged to net finance expenses. Actuarial gains and losses are fully recognized in equity through the consolidated statements of comprehensive income as they arise. The consolidated statements of financial position reflect the schemes' surplus or deficit at the consolidated statement of financial position date.

SHARE CAPITAL

Issuance costs directly attributable to the issuance of shares are recognized as a deduction from equity, net of income tax effects.

DIVIDENDS

Dividends on common shares are recognized in the Corporation's consolidated financial statements in the period in which the dividends are declared.

EARNINGS PER SHARE

Basic earnings per share are determined using the weighted average number of shares outstanding during the year.

Diluted earnings per share are determined using the weighted average number of shares outstanding during the period, plus the effects of dilutive potential shares outstanding during the period. The calculation of diluted earnings per share is made using the treasury stock method.

FUTURE ACCOUNTING STANDARD CHANGES

The following standards have been issued but are not yet effective:

IFRS 9 – Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, "Financial Instruments" concerning classification and measurement, impairment and hedge accounting, to supersede IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 will be effective for years beginning on or after January 1, 2018 with early adoption permitted. The Corporation has analyzed the impact of the adoption of IFRS 9 on the Corporation's consolidated statement of financial position, consolidated statements

of earnings and comprehensive income and consolidated statement of cash flows. No significant impact is expected from the adoption of this standard.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, "Revenue from Contracts with Customers". IFRS 15 replaces all previous revenue recognition standards, including IAS 18, "Revenue". In September 2015, the IASB deferred the effective date of IFRS 15 from January 1, 2017 to annual periods beginning on or after January 1, 2018, with early adoption permitted. The Corporation has analyzed the impact of the adoption of IFRS 15 on the Corporation's consolidated statement of financial position and consolidated statements of earnings and comprehensive income. No impact is expected from the adoption of this standard.

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16, "Leases", which will replace IAS 17, "Leases". The new standard requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use-asset" for virtually all lease contracts, and record it on the statement of financial position, except with respect to lease contracts that meet limited exception criteria. As the Corporation has significant contractual obligations in the form of operating leases (note 26) under IAS 17, there will be a material increase to both assets and liabilities upon the adoption of IFRS 16, and material changes to the timing of recognition of expenses associated with lease arrangements. The new standard will be effective January 1, 2019.

The Corporation has not yet quantified the effect of this standard nor does it intend at this time to early adopt this standard until the mandatory effective date.

The following accounting interpretations by the International Financial Reporting Interpretation Committee ("IFRIC") will be effective January 1, 2018, and January 1, 2019, respectively.

IFRIC 22, Foreign Currency Transactions and Advance Consideration (effective January 1, 2018)

In December 2016, the IASB issued IFRIC 22 which provides an interpretation on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 1. The interpretation applies where an entity pays or receives consideration in advance for foreign currency-denominated contracts. The date of the transaction determines the exchange rate to be used on initial recognition of the related asset, expense or income. This interpretation provides guidance for when a single payment or receipt is made, as well as for situations where multiple payments or receipts are made and aims to reduce diversity in practice. No significant impact is expected from the adoption of this accounting interpretation.

IFRIC 23, Uncertainty Over Income Tax Treatments (effective January 1, 2019)

In June 2017, the IFRS Interpretations Committee issued IFRIC 23 which clarifies how the recognition and measurement requirements of IAS 12, Income Taxes, are applied where there is uncertainty over income tax treatments.

The Corporation is currently assessing the impact of the adoption of this accounting interpretation on its financial statements.

There are no other IFRS (or IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Corporation.

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

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Corporation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

COSTS AND ANTICIPATED PROFITS IN EXCESS OF BILLINGS

The Corporation values its costs and anticipated profits in excess of billings based on the time and materials charged into each project. Costs and anticipated profits in excess of billings for each project are reviewed on a monthly basis to determine whether the amount is a true reflection of the amount that will be invoiced on the project. Where the review determines that the value of costs and anticipated profits in excess of billings exceed the amount that can be invoiced, adjustments are made to the costs and anticipated profits in excess of billings. The valuation of costs and anticipated profits in excess of billings involves estimates of the volume of work required to complete the project. Changes in the estimation of work required to complete the projects could lead to the undervaluation or overvaluation of costs and anticipated profits in excess of billings.

IDENTIFIABLE INTANGIBLE ASSETS AND GOODWILL

Identifiable intangible assets and goodwill, excluding software and non-competition agreements, represented $3,267.0 of total assets on the consolidated statement of financial position as at December 31, 2017 ($3,076.9 as at December 31, 2016). These assets arise out of business combinations and the Corporation applies the acquisition method of accounting to these transactions. In measuring the fair value of the assets acquired and the liabilities assumed and estimating their useful lives, Management used significant estimates and assumptions regarding cash flow projections, economic risk and weighted average cost of capital.

These estimates and assumptions determine the amount allocated to other identifiable intangible assets and goodwill, as well as the amortization period for identifiable intangible assets with finite lives. If results differ from estimates, the Corporation may be required to increase amortization or impairment charges.

CLAIMS PROVISIONS

In the normal course of business the Corporation faces legal proceedings for work carried out on projects. The Corporation has professional liability insurance in order to manage risks related to such proceedings. Management estimates the claims provisions, based on advice and information provided by its legal advisors and on its own past experience in the settlement of similar proceedings. Claims provisions include litigation costs and also take into account indemnities. Final settlements could have an effect on the financial position or operating results of the Corporation.

RETIREMENT BENEFIT OBLIGATIONS

The present value of obligations is calculated on an actuarial basis which depends on a number of assumptions relating to the future. These key assumptions are assessed regularly according to market conditions and data available to Management. Additional details are given in note 16.

INCOME TAXES

The Corporation is subject to income tax laws and regulations in several jurisdictions. An estimate is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Corporation recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due in the future. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

CRITICAL JUDGEMENTS IN APPLYING THE CORPORATION'S ACCOUNTING POLICIES

DEFERRED TAX ASSETS

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Corporation's most recent approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Corporation operates are also carefully taken into consideration. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by Management based on the specific facts and circumstances.

4 BUSINESS ACQUISITIONS

Acquisitions are accounted for using the acquisition method, and the operating results are 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 Corporation will report provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, and 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 Corporation obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

2017 TRANSACTIONS

a) Opus International Consultants Limited ("Opus")

On December 4, 2017, WSP closed the acquisition of Opus. Opus is a multi-disciplinary infrastructure (transportation and water), buildings and asset development management consultancy firm with approximately 3,000 engineers, designers, planners, researchers and advisers across New Zealand, Australia, Canada and the United Kingdom.

Given the size of the transaction and proximity to the end of fiscal year, the Corporation has not yet completed its fair value assessment of the assets acquired, the liabilities assumed and goodwill. Consequently, the fair value adjustments related to

this acquisition are included in goodwill in the preliminary fair value assessment of assets acquired and liabilities assumed. The table below presents Management's preliminary assessment of said fair values of the assets acquired and the liabilities assumed. The final assessment of the fair values will be finalized after the values of the assets and liabilities have been definitely determined. Accordingly, the following values are subject to change and such changes may be material.

	Preliminary
Recognized amounts of identifiable assets acquired and liabilities assumed	
Current Assets	
Cash	22.4
Trade, prepaid and other receivables	73.3
Costs and anticipated profits in excess of billings	33.2
Property and equipment	22.4
Computer Software	1.5
Intangible assets	34.5
Deferred income tax assets	—
Other non-current assets	0.9
Current Liabilities	
Accounts payable and accrued liabilities	(55.3)
Billings in excess of costs and anticipated profits	(18.2)
Long-term debt	(52.8)
Other non-current liabilities	
Deferred income tax liabilities	(0.8)
Retirement benefit obligations	(1.7)
Fair value of identifiable assets and liabilities assumed	**59.4**
Goodwill	180.1
Total purchase consideration	**239.5**
Cash acquired	(22.4)
Consideration payable	(1.8)
Cash disbursements	**215.3**

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

The trade receivables acquired had a fair value and gross contractual amount of $66.6.

The acquired business contributed revenues of $37.0 and a net loss of $7.4 from December 4, 2017 to December 31, 2017. If the acquisitions of OPUS had occurred on January 1, 2017, the Corporation's revenues and net earnings for 2017 would have increased by $321.0 and $21.5 respectively.

b) Other acquisitions in 2017

In 2017, the Corporation concluded a number of other acquisitions, notably, POCH ("POCH"), a 730-employee professional services firm in Chile, acquired in the second quarter of 2017 and Consultoría Colombiana S.A. ("ConCol"), a 1,000 professional services firm based in Colombia, acquired in the fourth quarter of 2017.

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 the assets and liabilities have been definitely determined. Accordingly, the following values are subject to change and such changes may be material. These acquisitions were not individually material, therefore the Corporation has chosen to disclose the required information in aggregate.

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

	Preliminary
Recognized amounts of identifiable assets acquired and liabilities assumed	
Current Assets	
Cash	8.8
Trade, prepaid and other receivables	42.9
Costs and anticipated profits in excess of billings	26.2
Property and equipment	7.8
Computer Software	2.0
Deferred income tax assets	8.1
Other non-current assets	1.7
Current Liabilities	
Accounts payable and accrued liabilities	(43.3)
Billings in excess of costs and anticipated profits	(9.9)
Long-term debt	(21.1)
Other non-current liabilities	(0.8)
Deferred income tax liabilities	(5.4)
Fair value of identifiable assets and liabilities assumed	**17.0**
Goodwill	101.5
Total purchase consideration	**118.5**
Cash acquired	(8.8)
Consideration payable	(35.3)
Cash disbursements	**74.4**

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

The trade receivables acquired had a fair value and gross contractual amount of $36.8.

The acquired businesses acquired, comprising mainly of POCH and ConCol, contributed revenues of $26.8 and a net loss of $1.2 from their dates of acquisition to December 31, 2017. If these acquisitions had occurred on January 1, 2017, the Corporation's revenues and net earnings for 2017 would have increased by $70.6 and decreased by $5.4, respectively.

2016 TRANSACTIONS

In 2016, the Corporation concluded a number of acquisitions, notably the industrial water consultancy business of Schlumberger ("Schlumberger") in the second quarter of 2016 and Mouchel Consulting ("Mouchel"), the engineering consulting services business of Mouchel Limited, held by the Kier Group plc, in the fourth quarter of 2016.

In 2017, the Corporation finalized the assessment of the fair values of the assets acquired and liabilities assumed related to these acquisitions.

The final determination of the fair values required some adjustments to the preliminary assessments as shown below. The Corporation has not restated the 2016 consolidated statement of financial position's comparative figures as the adjustments were deemed not material. The Corporation also determined that the net impact on the net earnings as a result of these adjustments was not material for the periods subsequent to the acquisition date, and as such, they were accounted for in the current year's consolidated statement of earnings.

The table below presents Management's final assessment of the fair values of the assets acquired and the liabilities assumed. These acquisitions were not individually material, therefore the Corporation has chosen to disclose the required information in aggregate.

	Preliminary	Adjustments	Final
Recognized amounts of identifiable assets acquired and liabilities assumed			
Current Assets			
Cash	5.5	2.5	8.0
Trade, prepaid and other receivables	45.3	5.5	50.8
Costs and anticipated profits in excess of billings	31.7	(4.5)	27.2
Property and equipment	3.6	1.3	4.9
Computer Software	0.8	3.8	4.6
Intangible assets	1.4	30.1	31.5
Deferred income tax assets	0.1	6.9	7.0
Other non-current assets	0.8		0.8
Current Liabilities			
Accounts payable and accrued liabilities	(83.6)	(0.6)	(84.2)
Billings in excess of costs and anticipated profits	—	(3.8)	(3.8)
Deferred income tax liabilities	—	(6.0)	(6.0)
Fair value of identifiable assets and liabilities assumed	**5.6**	**35.2**	**40.8**
Goodwill	166.7	(30.4)	136.3
Total purchase consideration	**172.3**	**4.8**	**177.1**
Cash acquired	(5.5)	(2.5)	(8.0)
Consideration payable	(7.5)	(0.1)	(7.6)
Cash disbursements	**159.3**	**2.2**	**161.5**

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

The receivables acquired had a fair value and gross contractual amount of $36.9.

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

The acquired businesses contributed revenues of $68.0 and net earnings of $nil from their dates of acquisition to December 31, 2016. If these acquisitions had occurred on January 1, 2016, the Corporation's revenues and net earnings for 2016 would have increased by $227.0 and $1.7, respectively.

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

5 JOINT ARRANGEMENTS

The Corporation holds interests in various joint arrangements. The lists below present the most significant joint arrangements that have been identified and classified as joint operations.

		2017
Name	**Interest**	**Country**
Pacific Complete / Woolgoolga to Ballina	40%	Australia
Melbourne Metro	33%	Australia
PB/HOK Joint Venture	50%	USA
Lower South Creek	50%	Australia
Toowoomba Second Range Crossing	50%	Australia
Sydney Rapid Transit	50%	Australia
Atlanta Aviation	41%	USA
Kier WSP	50%	England
Inland Rail Design JV	65%	Australia
Gateway Trans Hudson Partnership	38%	USA

		2016
Name	**Interest**	**Country**
PB / HOK Joint venture	50%	USA
General Engineering Consultants	33%	USA
PB-P Joint venture	60%	USA
MapLAX, A Joint Venture	51%	USA
Transit Modernization Partners	70%	USA
Parsons Brinckerhoff Quade & Douglas & Parsons Brinckerhoff Transportation Group JV	50%	USA
HDR - PB A Joint venture	45%	USA
KierWSP	50%	England
Pacific Complete - W2B	40%	Australia
KAWSP	40%	Qatar

There are no significant contingent liabilities relating to the Corporation's interest in the above identified joint operations, and no contingent liabilities of the venture itself.

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

6 CASH

	2017	2016
	$	$
Cash	185.1	230.8
Less: Bank overdraft	(6.5)	(0.3)
Cash net of bank overdraft	178.6	230.5

7 TRADE, PREPAID AND OTHER RECEIVABLES

	2017	2016
	$	$
Trade receivables	1,391.4	1,233.7
Allowance for doubtful accounts	(84.5)	(84.2)
Net trade receivables	1,306.9	1,149.5
Amounts due from joint ventures and associates undertaking	19.4	17.6
Other receivables	116.8	142.9
Prepaid expenses	111.6	104.5
	1,554.7	1,414.5

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

The aging of gross trade receivables past due was as follows:

	2017	2016
	$	$
Current	541.3	423.7
Past due 0-30 days	365.0	292.0
Past due 31-60 days	159.6	155.7
Past due 61-90 days	59.8	82.0
Past due 91-180 days	109.7	102.1
Past due over 180 days	156.0	178.2
Balance – End of year	1,391.4	1,233.7

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The changes in the allowance for doubtful accounts were as follows:

	2017	2016
	$	$
Balance – Beginning of year	84.2	64.3
Adjustments of allowance	2.3	22.8
Exchange differences	(2.0)	(2.9)
Balance – End of year	84.5	84.2

The Corporation is exposed to credit risk with respect to its trade receivables and maintains provisions for potential credit losses. Potential for such losses is mitigated because customer creditworthiness is evaluated before credit is extended and no single customer represents more than 10.0% of revenues.

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

8 OTHER ASSETS

	2017	2016
	$	$
Deferred financing fees	1.2	3.5
Investments	14.2	6.4
Financial assets available for sale*	97.6	102.0
	113.0	111.9

* Included in Financial assets available for sale are investments in a multitude of mutual funds, based on employees' investment elections, with respect of the deferred compensation obligations of the Corporation as disclosed in note 16. The fair value of these investments is $97.1 ($96.7 in 2016), determined by the market price of the funds at the reporting date.

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

9 PROPERTY AND EQUIPMENT

	Freehold land and buildings	Leasehold improvements	Furniture and equipment	Computer equipment	Total
	$	$	$	$	$
Balance as at January 1, 2016					
Cost	36.6	130.0	145.3	115.2	427.1
Accumulated depreciation	(3.7)	(31.2)	(65.3)	(57.4)	(157.6)
Net value	32.9	98.8	80.0	57.8	269.5
Additions	0.9	36.8	33.4	37.7	108.8
Additions through business acquisitions (note 4)	0.2	1.8	1.1	0.5	3.6
Disposals	—	(0.6)	(1.2)	—	(1.8)
Depreciation for the year	(1.2)	(22.2)	(27.3)	(27.7)	(78.4)
Exchange differences	(7.1)	1.8	(1.4)	(2.3)	(9.0)
	(7.2)	17.6	4.6	8.2	23.2
Balance as at December 31, 2016	25.7	116.4	84.6	66.0	292.7
Balance as at December 31, 2016					
Cost	32.9	169.5	172.8	149.4	524.6
Accumulated depreciation	(7.2)	(53.1)	(88.2)	(83.4)	(231.9)
Net value	25.7	116.4	84.6	66.0	292.7
Additions	—	19.7	22.0	38.0	79.7
Additions through business acquisitions (note 4)	2.8	0.2	20.7	7.8	31.5
Disposals	(5.0)	—	(0.4)	(0.2)	(5.6)
Depreciation for the year	(1.1)	(21.2)	(25.5)	(31.8)	(79.6)
Exchange differences	0.3	(0.1)	(3.7)	0.2	(3.3)
	(3.0)	(1.4)	13.1	14.0	22.7
Balance as at December 31, 2017	22.7	115.0	97.7	80.0	315.4
Balance as at December 31, 2017					
Cost	28.3	205.5	221.1	207.0	661.9
Accumulated depreciation	(5.6)	(90.5)	(123.4)	(127.0)	(346.5)
Net value	22.7	115.0	97.7	80.0	315.4

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

10 INTANGIBLE ASSETS

	Software	Contract backlogs	Customer relationships	Non-competition agreements	Trade names	Total
	$	$	$	$	$	$
Balance as at January 1, 2016						
Cost	78.6	171.3	242.4	2.6	92.9	587.8
Accumulated amortization	(47.3)	(30.5)	(93.3)	(1.4)	(8.7)	(181.2)
Net value	31.3	140.8	149.1	1.2	84.2	406.6
Additions	50.7	—	—	—	0.2	50.9
Additions through business acquisitions (note 4)	0.8	1.2	—	—	—	2.0
Disposals	(1.3)	—	—	(0.1)	—	(1.4)
Amortization for the year	(17.9)	(30.5)	(25.7)	(0.7)	(6.3)	(81.1)
Exchange differences	(1.6)	(3.8)	(3.6)	0.0	(12.3)	(21.3)
	30.7	(33.1)	(29.3)	(0.8)	(18.4)	(50.9)
Balance as at December 31, 2016	62.0	107.7	119.8	0.4	65.8	355.7
Balance as at December 31, 2016						
Cost	119.1	167.1	237.7	2.5	80.4	606.8
Accumulated amortization	(57.1)	(59.4)	(117.9)	(2.1)	(14.6)	(251.1)
Net value	62.0	107.7	119.8	0.4	65.8	355.7
Additions	23.6	—	—	—	0.8	24.4
Additions through business acquisitions (note 4)	7.3	5.9	58.7	—	—	71.9
Disposals	(0.1)	—	—	—	—	(0.1)
Amortization for the year	(25.6)	(30.5)	(27.8)	(0.4)	(4.9)	(89.2)
Exchange differences	(0.1)	(4.6)	(3.3)	—	0.5	(7.5)
	5.1	(29.2)	27.6	(0.4)	(3.6)	(0.5)
Balance as at December 31, 2017	67.1	78.5	147.4	—	62.2	355.2
Balance as at December 31, 2017						
Cost	160.4	160.5	275.1	2.5	81.3	679.8
Accumulated amortization	(93.3)	(82.0)	(127.7)	(2.5)	(19.1)	(324.6)
Net value	67.1	78.5	147.4	—	62.2	355.2

The carrying amount of intangible assets assessed as having an indefinite useful life, which consists of the WSP trade name, is $48.4 as at December 31, 2017 ($47.2 in 2016).

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

The Corporation performed its annual impairment test for the WSP trade name as at October 1, 2017 and September 25, 2016 in accordance with its policy described in note 2. As a result, no impairment for the WSP trade name was recorded.

During the year, the Corporation acquired intangible assets amounting to $96.3 ($52.9 in 2016), all of which are subject to amortization.

11 GOODWILL

	December 31, 2017	December 31, 2016
	$	$
Balance – Beginning of period	2,783.6	2,734.3
Goodwill resulting from business acquisitions	251.2	164.6
Foreign exchange differences	(55.8)	(115.3)
Balance – End of period	2,979.0	2,783.6

Goodwill amounting to $2,979.0 ($2,783.6. as at December 31, 2016) is allocated to the Corporation's CGUs. The carrying value of goodwill by CGU is identified in the table below:

	2017	2016
	$	$
Goodwill allocated to CGU		
Canada	891.2	891.2
Americas	1,068.3	1,069.0
UK	312.6	332.7
Nordics	306.8	275.6
Australia & New Zealand	263.8	80.3
Asia	68.5	73.4
Other	67.8	61.4
	2,979.0	2,783.6

IMPAIRMENT TEST OF GOODWILL

The Corporation performed its annual impairment test for goodwill as at October 1, 2017 and September 25, 2016 in accordance with its policy described in note 2. The key assumptions used to determine the fair value for the different CGUs for the most recently completed impairment calculations for 2017 and 2016 are discussed below. The Corporation has not identified any indicators of impairment at any other date and as such has not completed an additional impairment calculation. The fair value of each CGU exceeded its carrying value. As a result, no goodwill impairment was recorded.

VALUATION TECHNIQUE

FAIR VALUE LESS COSTS TO SELL ("FVLCS")

The fair value of the CGUs has been determined based on the FVLCS. Fair Value Measurement is defined in IFRS 13 as a market-based measurement rather than an entity-specific measurement.

Therefore, the fair value of the CGU must be measured using the assumptions that market participants would use rather than those related specifically to the Corporation. In determining the FVLCS of the CGUs, an income approach using the discounted cash flow methodology was utilized. In addition, the market approach was employed in assessing the reasonableness of the conclusions reached.

INCOME APPROACH

The discounted cash flow (“DCF”) technique provides the best assessment of what each CGU could be exchanged for in an arm’s length transaction as fair value is represented by the present value of expected future cash flows of the business together with the residual value of the business at the end of the forecast period. The DCF was applied on an enterprise-value basis, where the after-tax cash flows prior to interest expense are discounted using a weighted-average cost of capital (“WACC”). This approach requires assumptions regarding revenue growth rates, adjusted EBITDA and adjusted EBITDA margins, level of working capital, capital expenditures, tax rates and discount rates.

MARKET APPROACH

It is assumed under the market approach that the value of a Corporation reflects the price at which comparable companies in the same industry are purchased under similar circumstances. A comparison of a CGU to similar companies in the same industry whose financial information is publicly available may provide a reasonable basis to estimate fair value. Fair value under this approach is calculated based on an adjusted EBITDA multiple compared to the average median multiple based on publicly available information for comparable companies and transaction prices.

KEY ASSUMPTIONS USED IN DETERMINING THE FVLCS

CASH FLOW PROJECTIONS

The cash flow projections, covering a five-year period (“projection period”), were based on financial projections approved by management using assumptions that reflect the Corporation’s most likely planned course of action, given management’s judgment of the most probable set of economic conditions, adjusted to reflect the perspective of the expectations of a market participant. Adjusted EBITDA is based on actual and estimated values in the first year of the projection period, budgeted values in the second year of the projection period, and these are increased over the projection period using an approximate growth rate for anticipated efficiency improvements. The growth rate applied to the cash flow projections for the Corporation’s CGUs ranged from 2.0% to 5.0% at September 25, 2016, and October 1, 2017. The Corporation also

considered past experience, economic trends as well as industry and market trends in assessing reasonableness of financial projections used.

DISCOUNT RATE

The discount rate (WACC) reflects the current market assessment of the risk specific to comparable companies. The discount rate was based on the weighted-average cost of equity and cost of debt for comparable companies within the industry. The discount rate represents the after tax weighted average cost of capital ("WACC"). Determining the WACC requires analyzing the cost of equity and debt separately, and takes into account a risk premium that is based on the applicable CGU. The post-tax WACC applied to the Corporation's CGUs ranged between 7.50% and 13.25%, at October 1, 2017 (7.75% and 13.75% at September 25, 2016).

TERMINAL GROWTH RATE

Growth rates used to extrapolate the Corporation's projection were determined using published industry growth rates in combination with inflation assumptions and the input of each CGU's management group based on historical trend analysis and future expectations of growth. The terminal growth rate applied to the cash flow projections for the Corporation's CGUs was 3.0% at September 25, 2016, and October 1, 2017.

COSTS TO SELL

The costs to sell for each CGU have been estimated at approximately 0.75% (2017 and 2016) of the CGU's enterprise value. The costs to sell reflect the incremental costs, excluding finance costs and income taxes, which would be directly attributable to the disposal of the CGU, including legal and direct incremental costs incurred in preparing the CGU for sale.

SENSITIVITY TO CHANGES IN ASSUMPTIONS

As at October 1, 2017, no reasonably possible change in any of the key assumptions used in determining their FVLCS would have caused the carrying values of the Corporation's CGUs to materially exceed their respective recoverable amounts (FVLCS).

12 LONG-TERM INCENTIVE PLANS ("LTIPs")

In 2011, the Corporation adopted a long term incentive plan (the "LTI Plan") for certain employees under which restricted share units or stock options could be issued. The total number of shares reserved and available for grant and issuance pursuant to the LTI Plan is limited to 2,080,950 shares. In 2014, the Corporation also adopted a Performance Share Unit Plan pursuant to which cash-settled performance share units ("PSUs") could be issued, In 2015 the Corporation adopted a Deferred Share Unit Plan pursuant to which cash-settled deferred share units ("DSUs") could be issued and in 2016 the Corporation adopted a Restricted Share Unit Plan pursuant to which cash-settled restricted share units ("RSUs") could be issued. The LTI Plan, the Performance Share Unit Plan, the Deferred Share Unit Plan and the Restricted Share Unit Plan are collectively referred to as the "LTIPs".

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

RSUs

The RSUs are settled in cash and vest after three years. 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, evenly over three years. 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, are recorded as an expense or recovery.

The 2017 payout for RSUs amounted to $0.5 (nil in 2016). The Corporation recorded an expense of $2.5 during the year ($1.5 in 2016) related to the RSUs in Personnel Costs. As at December 31, 2017, 118,630 RSUs were outstanding (79,669 in 2016) and the cumulative obligation as at December 31, 2017, stood at $3.5 ($1.5 in 2016).

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 three 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.

During the year, 30,684 options were exercised at a price of $35.45 and 42,285 options were exercised at a price of $37.75.

As at December 31, 2017, 657,829 stock options were outstanding (691,086 in 2016) of which 471,350 stock options had vested, at exercise prices ranging from $35.12 to $49.28.

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 December 31, 2017 and December 31, 2016:

	2017	2016
Expected stock price volatility	20%-35%	20%-35%
Dividend	3.25%-3.75%	3.25%-3.75%
Risk-free interest rate	1.75%-2.25%	1.75%-2.25%
Fair value – weighted average of options issued	$9.50-$10.50	$7.50-$8.50

During the year, the Corporation recorded a stock based compensation expense of $1.4 ($1.6 in 2016) in Personnel Costs.

PSUs

The PSUs are settled in cash and vest if certain Corporation performance targets are met and payable yearly, starting in 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.

The 2017 payout for PSUs amounted to $8.4. The Corporation recorded an expense of $8.8 during the year ($8.9 in 2016) related to the PSUs in Personnel Costs. As at December 31, 2017, there were 663,721 PSUs outstanding (616,830 in 2016) and the cumulative obligation stood at $17.7 ($17.3 in 2016).

DSUs

The DSUs are settled in cash and vest as issued. The measurement of the expense and corresponding liability for these awards is based the market value of the Corporation's common shares. 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, are recorded as an expense or recovery. As at December 31, 2017, there are 68,227 DSUs outstanding (25,756 in 2016). The Corporation recorded an expense of $3.2 (1.3 in 2016) related to DSUs in Personnel Costs, and paid out an amount of $0.2 during the year, leaving the cumulative obligation at $4.1 at December 31, 2017 ($1.1 in 2016).

13 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017 $	2016 $
Trade payables	518.5	307.3
Employee benefits payable	472.5	361.5
Sale taxes	65.9	59.7
Amounts due to joint venture and associated undertakings	3.1	0.9
Accrued expenses and other payables	203.0	386.3
Provisions	220.1	226.4
	1,483.1	1,342.1
Less: Non-current provisions	121.2	128.6
Accounts payable and accrued liabilities	1,361.9	1,213.5

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

	Claims provisions	Property provisions	Other provisions	Total
	$	$	$	$
Balance as at December 31, 2015	126.9	31.5	13.0	171.4
Business acquisitions	11.5	(5.3)	4.2	10.4
Additional provision	27.8	58.6	11.3	97.7
Paid or otherwise settled	(37.1)	0.6	(7.1)	(43.6)
Exchange differences	(5.9)	(2.5)	(1.1)	(9.5)
Balance as at December 31, 2016	123.2	82.9	20.3	226.4
Business acquisitions	(0.3)	5.9	7.7	13.3
Additional provision	7.5	14.1	—	21.6
Paid or otherwise settled	(9.3)	(11.2)	(14.2)	(34.7)
Exchange differences	(2.5)	(4.0)	—	(6.5)
Balance as at December 31, 2017	118.6	87.7	13.8	220.1

14 LONG-TERM DEBTS

	2017	2016
	$	$
Credit facility	1,094.0	1,042.7
Other debts	64.7	7.4
	1,158.7	1,050.1
Less: Current portion	276.3	135.9
	882.4	914.2

CREDIT FACILITY

WSP has in place a US$1,400.0 million credit facility with a syndicate of financial institutions (the "Lenders") comprised of:

- a senior unsecured revolving credit facility to a maximum amount of US$1,200.0 million (the "Revolving Credit Facility"), maturing on December 31, 2020; and

- a senior unsecured non-revolving term credit facility which consists of a principal amount of US$200.0 million (the "Term Facility"), maturing on October 31, 2018.

The credit facility bears interest at Canadian prime rate, US-based rate, Bankers' acceptances rate and LIBOR plus an applicable margin up to 2.5% that will vary depending on the type of advances and the Corporation's ratios, as defined in the agreement with the Lenders. The Corporation pays a commitment fee on the available unused credit facility.

Under this credit facility, the Corporation is required, among other conditions, to respect certain covenants on a consolidated basis. The main covenants are in regard to its consolidated net debt to consolidated adjusted EBITDA and the interest coverage ratios, which are non-IFRS measures. Management reviews compliance with these covenants on a quarterly basis in conjunction with filing requirements under its credit facility. All covenants have been met as at December 31, 2017.

Under the credit facility, the Corporation may issue irrevocable letters of credit up to US$250.0, decreasing the amount available on such credit facility. In 2017, the Corporation entered into bilateral facilities totaling $206.7 to issue letter of credits.The Corporation issued, in the normal course of business, irrevocable letters of credit totaling $242.6 as at December 31, 2017 ($228.8 in 2016) for its own commitments, thus decreasing such available credit facility and bilateral facilities.

As at December 31, 2017, the Corporation had available other operating lines of credit amounting to $145.6 ($20.2 in 2016), of which $80.2 ($19.4 in 2016) were unused at year-end.

Credit facility allocation by borrowed currency:

	2017	Base currency	2016	Base currency
	$		$	
US dollar	1,046.8	832.6	1,032.6	768.1
Sterling pound	10.6	6.2	5.3	3.2
Swedish Krona	2.8	18.2	4.8	32.5
Canadian dollar	33.8	—	—	—
	1,094.0		1,042.7	

The installments due on long-term debts over each of the next three years amount to $276.3 in 2018, $27.7 in 2019 and $854.7 in 2020.

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

15 OTHER FINANCIAL LIABILITIES

	2017	2016
	$	$
Bank overdraft (note 6)	6.5	0.3
Loan Payable	—	3.5
Notes payable	50.1	11.7
Obligations under finance leases	14.6	16.5
	71.2	32.0
Less: Current portion	45.8	18.1
	25.4	13.9

The installments due on financial liabilities are as follows: $45.8 in 2018, $17.7 in 2019 and $7.7 in 2020 and beyond.

16 PENSIONS SCHEMES

Pension costs included in personnel costs consist of the following:

	2017	2016
	$	$
Defined benefit pension schemes	6.6	3.5
Defined contribution pension schemes	81.2	77.4
	87.8	80.9

The Corporation operated both defined contribution and defined benefit pension schemes. Defined contributions are charged to the consolidated statements of earnings as they are incurred.

In Canada, the Corporation has defined contribution retirement savings plans for its employees. Pursuant to these plans, the Corporation pays a contribution equivalent to the employee contribution up to a maximum varying from 3% to 5% of the employee's salary. An employee acquires the whole employer contributions after two years of continuous service or if he loses his job due to a layoff resulting from a lack of work.

In the United Kingdom, there are five separate defined benefit schemes, all of which are closed to new members. The assets of the schemes are held separately from those of the Corporation in independently administered funds.

In Sweden, a proportion of the multi-employer Government-run defined benefit plan is carried on the Corporation's consolidated statement of financial position. Future service accrual under this arrangement ceased in 2008 where the

employees became fully included in the Government plan's arrangements. The multi-employer Government plan retains substantial other assets to meet the balance of pension liabilities. As the directors are unable to identify the underlying assets and liabilities of this element of the scheme, it is treated as a defined contribution scheme for the purposes of IAS 19 "Employee Benefits."

In the US, the Corporation maintains a deferred compensation plan accounted for under IAS 19 where an element of employee's compensation is deferred and invested in available-for-sale assets (as disclosed in note 8) in a trust, the assets of which are for the ultimate benefit of the employees but are available to the Corporation's creditors in the event of insolvency.

For funded and unfunded defined benefit plans, any deficit of the fair value of plan assets over the present value of the defined benefit obligation is recognized as a liability in the consolidated statement of financial position. Actuarial gains and losses are recognized in full as they arise in the consolidated statement of comprehensive income. These reflect changes in actuarial assumptions, and differences between actuarial assumptions and what has actually occurred.

The actuarial cost charged to the consolidated statements of earnings in respect of defined benefit plans consists of current service costs, net interest on defined benefit liability (asset), past service costs and costs of curtailments.

The liabilities of the Corporation arising from defined benefit obligations and their related current service cost are determined using the projected unit credit method. Valuations are performed annually. Actuarial advice is provided by both external consultants and actuaries. The actuarial assumptions used to calculate the benefit obligations vary according to the economic conditions of the country in which the plan is located and are set out below. To develop the expected long-term rate of return on assets assumption, the Corporation considered the current level of expected returns on risk-free investments (primarily UK government bonds) and the historical level of risk premium associated with the other asset classes in which the portfolio is invested. The expected return for each asset class was then applied to the schemes' asset allocations to develop the overall expected long-term rate of return on assets for the combined portfolios.

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

ASSUMPTIONS

	2017	2016
United Kingdom		
Rate of increase in pension payments	2.05% to 2.20%	1.85% to 3.65%
Discount rate	2.55%	2.65%
Inflation assumption	2.20% to 3.20%	2.25% to 3.25%
Life expectancy at age 65 (for member currently aged 65)		
– Men	87.9	88.0
– Women	89.7	90.4
Sweden		
Discount rate	2.60%	2.85%
Inflation assumption	1.90%	1.50%
Life expectancy at age 65 (for member currently aged 65)		
– Men	87.0	87.0
– Women	89.0	89.0
United States		
Discount rate	2.70% to 3.00%	2.75% to 3.40%

The major categories of plan assets pertaining to the UK defined benefits pension schemes are as follows:

	December 31, 2017		December 31, 2016	
	Fair value $	%	Fair value $	%
Equities	79.6	41	68.4	39
Bonds	96.9	50	93.4	53
Other	16.7	9	15.4	8

As at December 31, 2017 approximately 41% (39% in 2016) of the plan assets are directly invested in publicly traded securities. As well, the plan invests in pooled funds which are not publicly traded but have underlying securities which are publicly traded.

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

Amounts recognized in the statements of financial position are as follows:

	2017	2016
	$	$
Fair value of plan assets (United Kingdom)	193.2	177.2
Present value of funded obligations (United Kingdom)	(231.4)	(235.4)
Deficit (United Kingdom)	(38.2)	(58.2)
Present value of unfunded obligations (Sweden)	(47.8)	(39.5)
Present value of unfunded obligations (United States)	(119.0)	(120.4)
Present value of unfunded obligations from acquisition (note 4)	(1.7)	—
Pension liability	(206.7)	(218.1)

Amounts recognized in the consolidated statements of earnings are as follows:

	2017	2016
	$	$
Current service costs	6.6	3.5

	2017	2016
	$	$
Interest expenses	9.7	12.1
Expected return on plan assets	(4.7)	(6.5)
Net finance expenses on pension obligations	5.0	5.6

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

Changes in the present value of the defined benefit obligation are as follows:

	2017	2016
	$	$
Present value of obligation – Beginning balance	395.3	394.2
Defined Benefit plan from acquisition	1.7	—
Current service costs	6.6	3.5
Contributions from scheme members	0.3	0.3
Benefits paid	(28.5)	(18.1)
Interest expenses	9.7	12.1
Actuarial (gain)/loss (assumptions)	3.5	53.4
Actuarial (gain)/loss (experience)	12.1	5.6
Foreign exchange differences	(0.8)	(55.7)
Present value of obligation – Ending balance	399.9	395.3

Changes in the fair value of plan assets are as follows:

	2017	2016
	$	$
Fair value of plan assets – Beginning balance	177.2	185.5
Expected return on plan assets	4.7	6.5
Contributions from scheme members	0.3	0.3
Contributions from employer	11.2	12.1
Benefits paid	(12.6)	(7.3)
Actuarial gain/(loss) (experience)	8.0	17.7
Foreign exchange differences	4.4	(37.6)
Fair value of plan assets – Ending balance	193.2	177.2

Net retirement obligations deficit summary

	2017	2016
	$	$
Present value of scheme assets	193.2	177.2
Fair value of scheme liabilities	(399.9)	(395.3)
Deficit	(206.7)	(218.1)

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

Cumulative actuarial (losses)/gains recognized in equity are as follows:

	2017	2016
	$	$
Beginning balance	(10.0)	31.3
Net actuarial (loss)/gain recognized in the year	(7.6)	(41.3)
Balance – End of year	(17.6)	(10.0)

The Corporation's defined benefit plans expose it to interest risk, inflations risk, longevity risk, currency risk and market investment risk. Sensitivity analysis of the overall pension deficit to changes in principal assumptions is shown below:

Assumption	Change	Impact on deficit
Discount rate	+/- 0.1%	Decrease/increase $5.5
Inflation rate	+/- 0.1%	Decrease/increase $3.1
Mortality	+/- 1 year	Decrease/increase $12.5

The combined employee and employer contributions expected to be paid in 2018, pertaining to the Corporation's defined benefit pension schemes are expected to be approximately $11.0.

17 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, 2016	99,255,857	2,409.7
Shares issued under the DRIP	2,115,280	81.9
Balance as at December 31, 2016	101,371,137	2,491.6
Shares issued under the DRIP (note 22)	1,716,486	82.7
Shares issued upon exercise of stock options*	72,969	3.1
Balance as at December 31, 2017	103,160,592	2,577.4

* The carrying value of the common shares includes $0.5, which corresponds to a reduction in contributed surplus representing the value of accumulated compensation costs associated with the stock options exercised during the period.

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

As at December 31, 2017, no preferred shares were issued.

18 CAPITAL MANAGEMENT

The Corporation's primary objectives when managing capital structure are as follows:

- maintain financial flexibility in order to meet financial obligations, to provide dividends, to execute growth plan and to continue growth through business acquisitions;
- manage the Corporation's activities in a responsible way in order to provide an adequate return for its shareholders; and
- comply with financial covenants required under the credit facility.

For capital management, the Corporation has defined its capital as the combination of long-term debts, loan payable, shareholders' equity and non-controlling interest, net of cash (net of bank overdraft). The non-recourse debts are excluded.

	2017 $	2016 $
Long-term debts	1,158.7	1,050.1
Loan payable (note 15)	—	3.5
Shareholders' equity	2,959.0	2,859.6
Non-controlling interest	—	0.9
	4,117.7	3,914.1
Less: Cash net of bank overdraft	(178.6)	(230.5)
	3,939.1	3,683.6

The Corporation's financing strategy is to maintain a flexible structure consistent with the objectives stated above, to respond adequately to changes in economic conditions and to allow growth organically and through business acquisitions. The Corporation monitors its capital structure using the consolidated net debt to consolidated adjusted EBITDA ratio. This ratio is used to determine what would be the maximum debt level.

In order to maintain and adjust its capital structure, the Corporation may issue new shares in the market, contract bank loans and negotiate new credit facilities.

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

19 ACQUISITION AND INTEGRATION COSTS

	2017 $	2016 $
Business acquisition related costs	6.3	3.1
Business integration related costs	22.1	29.8
	28.4	32.9

Included in Acquisition and integration costs are personnel costs of $6.2 and $7.8 for 2017 and 2016, respectively.

Business integration related costs pertain to costs incurred for the integration of acquired businesses for a period of up to 24 months from the date of acquisition.

20 NET FINANCE EXPENSES

	2017 $	2016 $
Interest related to credit facilities	33.8	26.2
Net finance expenses on pension obligations	5.0	5.6
Exchange loss/(gain) on assets/liabilities in foreign currencies	3.5	4.8
Other interest and bank charges	6.5	7.3
Loss/(gain) on sale of assets available for sale	(7.7)	(5.0)
Interest income	(4.2)	(1.7)
	36.9	37.2

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

21 INCOME TAXES

The components of income tax expense for 2017 and 2016 were as follows:

	2017 $	2016 $
Current tax		
Current tax on earnings for the year	97.0	71.9
Adjustments in respect of prior years	7.9	15.2
Total current tax	104.9	87.1
Deferred tax		
Origination and reversal of temporary differences	(10.0)	(3.9)
Impact of change in tax rates	16.0	0.2
Adjustments in respect of prior years	(8.8)	(16.3)
Total deferred tax	(2.8)	(20.0)
Total income tax expense	102.1	67.1

The reconciliation of the difference between the income tax expense using the combined Canadian federal and provincial statutory tax rate of 26.8% (26.9% in 2016) and the actual effective tax rate is as follows:

	2017		2016	
	$	%	$	%
Earnings before income tax expense	315.4	—	265.8	—
Expected income tax expense at the combined Canadian federal and provincial statutory rate	84.5	26.8	71.5	26.9
Changes resulting from:				
Foreign tax rate differences	(3.2)	(1.0)	(10.3)	(3.8)
Non-deductible expenses/(non-taxable income), net	5.1	1.6	5.1	1.9
Unrecognized tax benefits, net	0.9	0.3	3.6	1.4
Adjustments in respect of prior years	(0.9)	(0.3)	(1.1)	(0.4)
Effect of change in tax rates	16.0	5.1	0.2	(0.1)
Other items	(0.3)	(0.1)	(1.9)	(0.7)
	102.1	32.4	67.1	25.2

On December 22, 2017, President Trump signed the Tax Cuts and Jobs Act into legislation reducing the US federal corporate income tax rate from 35% to 21%. As a result, the Corporation incurred a charge to other comprehensive income of $0.4M and an income tax expense of $16.0M, due to a remeasurement of deferred tax assets and liabilities.

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

In 2017, unrecognized tax benefits, net, represented the impact of unrecognized current and prior years tax benefits related mostly to foreign subsidiaries where recovery is not considered probable, partly offset by the recognition of our remaining Australian operations deferred tax assets following continued improved earnings in 2017.

In 2016, unrecognized tax benefits, net, represented the impact of unrecognized current and prior years tax benefits related mostly to foreign subsidiaries where recovery is not considered probable, partly offset by recognized deferred tax assets for our Australian operations following improved earnings in 2016.

As at December 31, 2017, and 2016, the significant components of deferred income tax assets and liabilities were as follows:

							2017
	As at January 1	**Credited (charged) to statement of earnings**	**Credited (charged) to other comprehensive income**	**Charged directly to equity**	**Business acquisitions**	**Exchange differences**	**As at December 31**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Deferred income tax assets							
Deductible provisions upon settlement	109.2	(11.5)	—	—	7.1	(2.7)	102.1
Tax loss carry forwards	25.9	(5.0)	—	—	1.5	0.2	22.6
Pension Plan	65.1	(18.7)	(0.3)	—	0.3	(2.5)	43.9
Deferred issuance-related costs	5.9	(2.6)	—	—	—	—	3.3
Property and equipment	4.5	1.7	—	—	7.6	0.5	14.3
Other temporary differences	33.9	(11.8)	0.1	—	4.6	(1.5)	25.3
	244.5	(47.9)	(0.2)	—	21.1	(6.0)	211.5
Deferred income tax liabilities							
Costs and anticipated profits in excess of billings	(80.3)	(10.1)	—	—	(0.3)	(1.5)	(92.2)
Holdbacks	(18.2)	5.8	—	—	—	0.8	(11.6)
Property and equipment	(29.3)	17.9	—	—	(0.9)	1.0	(11.3)
Intangible assets and goodwill	(91.5)	36.9	—	—	(16.7)	3.2	(68.1)
Other temporary differences	(12.3)	0.2	0.9	—	(0.4)	0.2	(11.4)
	(231.6)	50.7	0.9	—	(18.3)	3.7	(194.6)
Total	**12.9**	**2.8**	**0.7**	**—**	**2.8**	**(2.3)**	**16.9**

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

	2016						
	As at January 1	Credited (charged) to statement of earnings	Credited (charged) to other comprehensive income	Charged directly to equity	Business acquisitions	Exchange differences	As at December 31
	$	$	$	$	$	$	$
Deferred income tax assets							
Deductible provisions upon settlement	113.5	(4.1)	—	—	3.1	(3.3)	109.2
Tax loss carry forwards	30.9	(1.6)	(0.6)	—	—	(2.8)	25.9
Pension Plan	50.4	12.2	5.7	—	—	(3.2)	65.1
Deferred issuance-related costs	9.0	(3.2)	—	0.1	—	—	5.9
Property and equipment	8.3	(2.6)	—	—	0.1	(1.3)	4.5
Other temporary differences	5.2	30.7	—	—	(2.2)	0.2	33.9
	217.3	31.4	5.1	0.1	1.0	(10.4)	244.5
Deferred income tax liabilities							
Costs and anticipated profits in excess of billings	(70.9)	(14.3)	—	—	—	4.9	(80.3)
Holdbacks	(26.4)	7.4	—	—	—	0.8	(18.2)
Property and equipment	(4.1)	(25.0)	—	—	—	(0.2)	(29.3)
Intangible assets and goodwill	(108.7)	12.4	—	—	—	4.8	(91.5)
Other temporary differences	(21.5)	8.1	0.5	—	—	0.6	(12.3)
	(231.6)	(11.4)	0.5	—	—	10.9	(231.6)
Total	**(14.3)**	**20.0**	**5.6**	**0.1**	**1.0**	**0.5**	**12.9**

The deferred income taxes are presented as follows on the consolidated statements of financial position:

	2017	2016
	$	$
Deferred income tax assets	91.4	78.9
Deferred income tax (liabilities)	(74.5)	(66.0)
Net Deferred income tax assets/(liabilities)	16.9	12.9

As at December 31, 2017, the Corporation recognized deferred income tax assets of $22.6 ($25.9 as at December 31, 2016) related to certain subsidiaries tax losses of the current and prior years. The deferred income tax assets are recognized, as the

Corporation believes it is probable that taxable profits will be available in the future against which the tax loss carry forwards can be utilized.

As at December 31, 2017, the Corporation had $29.5 ($35.1 as at December 31, 2016) of unrecognized deferred income tax assets related to $113.3 ($129.6 as at December 31, 2016) of tax loss carry forwards, of which $42.1 ($49.5 as at December 31, 2016) expire between 2018 and 2037 with the remainder having no expiry, and $5.5 ($12.1 as at December 31, 2016) of gross temporary differences with no expiry. The Corporation considers the recovery of those unrecognized deferred income tax assets as not probable.

A deferred income tax liability relating to taxable temporary differences amounting to $198.0 as at December 31, 2017 ($121.0 as at December 31, 2016), associated with the undistributed earnings of subsidiaries, has not been recognized, as the Corporation controls the timing of the reversal of these temporary differences and does not expect they will reverse in the foreseeable future. Upon distribution of these earnings in the form of dividends or otherwise, the Corporation may be subject to corporate or withholding taxes.

22 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 fourth quarter ended December 31, 2017 was $38.7 or $0.375 per share.

The total amount of dividends declared by the Corporation for the year ended December 31, 2017 was $153.8 ($150.8 in 2016)

Dividend reinvestment plan (DRIP)

Under the DRIP, the holders of common shares may elect to have cash dividends reinvested into additional common shares. The shares to be delivered can be purchased on the open market or issued from treasury at the discretion of Management. The shares issued from treasury can be issued at a discount of up to 5.0% of the applicable average market price.

In 2017, $82.7 was reinvested in 1,716,486 common shares under the DRIP (note 17).

On January 15, 2018, on the payment of the fourth quarter dividend, $19.2 was reinvested in 328,360 additional shares under the DRIP.

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

23 STATEMENTS OF CASH FLOWS

a) ADJUSTMENTS

	2017	2016
	$	$
Depreciation and amortization	168.8	159.5
Share of income per statements of earnings of associates and joint-ventures (net of tax)	(0.3)	(0.1)
Defined benefit pension schemes expense	6.6	(3.5)
Cash contribution to defined benefit pension schemes	(11.2)	(12.1)
Foreign exchange and non-cash movements	0.7	4.2
Others	(24.9)	(14.8)
	139.7	133.2

b) CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	2017	2016
	$	$
Decrease (increase) in:		
Trade, prepaid and other receivables	(59.4)	93.1
Costs and anticipated profits in excess of billings	(48.2)	(16.4)
Increase (decrease) in:		
Accounts payable and accrued liabilities	86.4	(43.9)
Billings in excess of costs and anticipated profits	(16.6)	(35.6)
	(37.8)	(2.8)

c) TRANSACTIONS NOT AFFECTING CASH

	2017	2016
	$	$
Additions to intangible assets and prepaids through the assumption of a finance lease and financial liabilities	—	15.3

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

d) TRANSACTIONS ARISING FROM CASH FLOWS - LONG-TERM DEBTS

			2017 $
	Increase of debt	Repayment of debt	Total
Term facility	—	(124.7)	(124.7)
Revolving facility	9,885.1	(9,679.5)	205.6
Other long-term debt	—	(14.1)	(14.1)
	9,885.1	(9,818.3)	66.8

			2016 $
	Increase of debt	Repayment of debt	Total
Term facility	—	(131.7)	(131.7)
Revolving facility	5,708.8	(5,492.6)	216.2
Other long-term debt	—	(3.1)	(3.1)
	5,708.8	(5,627.4)	81.4

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

24 RELATED PARTY TRANSACTIONS

Controlled entities The Corporation controls and consolidates an entity when the Corporation is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The table below list the Corporation's most significant subsidiaries.

Entity	Country of incorporation	Interest	
		2017	2016
WSP Canada Inc.	Canada	100%	100%
WSP Canada Group Limited	Canada	100%	100%
Parsons Brinckerhoff Holdings Inc.	USA	100%	100%
WSP Colombia S.A.S.	Colombia	100%	100%
WSP Consulting Chile LTDA	Chile	100%	100%
WSP UK Limited.	England	100%	100%
Parsons Brinckerhoff Limited (UK)	England	100%	100%
WSP CEL Limited	England	100%	100%
WSP Sverige AB	Sweden	100%	100%
WSP Deutschland AG	Germany	100%	100%
WSP France SAS	France	100%	100%
WSP Middle East Ltd	Jersey	100%	100%
Parsons Brinckerhoff International LLC	Qatar	100%	100%
Parsons Brinckerhoff Africa (Pty) Limited	South Africa	74%	74%
WSP Group Africa	South Africa	74%	74%
WSP Asia (Holdings) Limited	Hong Kong	100%	100%
WSP Hong Kong Limited	Hong Kong	100%	100%
WSP (Asia) Ltd.	Hong Kong	100%	100%
WSP Consultancy Pte Ltd	Singapore	100%	100%
WSP Australia Pty Ltd	Australia	100%	100%
WSP New Zealand Ltd	New Zealand	100%	100%

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

Key management compensation

Key management includes the members of the Board, the President and Chief Executive Officer, the Chief Financial Officer and the members of the global leadership team ("GLT"). The compensation paid or payable to key management is shown below:

	2017	2016
	$	$
Short-term employee benefits	14.7	14.8
Share-based awards	8.8	8.3
	23.5	23.1

25 FINANCIAL INSTRUMENTS

FAIR VALUE

Cash, trade and other receivables, costs and anticipated profits in excess of billings, accounts payable, dividends payable to shareholders, bank overdrafts, long-term debts, other non-current liabilities, and obligations under finance leases are financial instruments whose fair values approximate their carrying values due to their short-term maturity, variable interest rates or current market rates for instruments with fixed rates.

The fair value hierarchy under which the Corporation's financial instruments are valued is as follows:

- Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 includes inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly or indirectly;
- Level 3 includes inputs for the assets or liability that are not based on observable market data.

As at December 31, 2017, and 2016, available for sale assets' fair values are valued under Level 1. Foreign currency risk based financial instruments' fair values, notably foreign currency forward contracts and cross currency swap agreements, are valued under Level 2.

FINANCIAL RISK MANAGEMENT

The Corporation is exposed to credit risk, foreign currency risk, interest rate risk and liquidity risk. The following analyses provide a measurement of those risks as at December 31, 2017, and 2016.

CREDIT RISK

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Financial instruments which potentially subject the Corporation to significant credit risk consist principally of cash, trade and other receivables, and costs and anticipated profits in excess of billings. The Corporation's maximum amount of credit risk exposure is limited to the carrying amount of these financial instruments, which is $2,533.3 as at December 31, 2017, and $2,364.8 as at December 31, 2016.

The Corporation's cash is held with leading financial institutions. Therefore, the Corporation considers the risk of non-performance on these instruments to be minimal.

The Corporation's credit risk is principally attributable to its trade receivables and costs and anticipated profits in excess of billings. The amounts disclosed in the consolidated statements of financial position are net of an allowance for doubtful accounts, estimated by the Corporation's Management and based, in part, on the age of the specific receivable balance and the current and expected collection trends. Generally, the Corporation does not require collateral or other security from customers for trade accounts receivable; however, credit is extended following an evaluation of creditworthiness. In addition, the Corporation performs ongoing credit reviews of all its customers and establishes an allowance for doubtful accounts when the likelihood of collecting the account has significantly diminished. The Corporation believes that the credit risk of trade accounts receivable is limited. During the year ended December 31, 2017, and 2016, bad debts accounted for were not significant.

The Corporation mitigates its credit risk by providing services to diverse clients in various market segments, countries and sectors of the economy.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Corporation operates internationally and is exposed to currency risks arising from its operating activities denominated in US dollars, Sterling pound, Swedish krona, Australian dollars, Euros and other currencies as well as to its net assets in foreign operations. These risks are partially offset by purchases and operating expenses incurred in these currencies.

The Corporation has investments in foreign operations, whose net assets are exposed to foreign currency risk. This risk is partly offset through borrowings denominated in the relevant foreign currency. The exchange gains or losses on the net equity investment of these operations are reflected in the accumulated other comprehensive income (loss) account in shareholders' equity, as part of the currency translation adjustment.

During the fourth quarter, the Corporation entered into cross currency swaps for a nominal amount of US$395.6 million to hedge a portion of its US denominated debt at a US/CAD rate of 1.2816 and a nominal amount of US$32.9 million to hedge a portion of its US denominated debt at a GBP/US rate of 1.3320. The fair market value loss amounted to US$7.9 million and was recorded in the statement of earnings. All cross currency swap agreements expire in the first quarter of 2018.

The Corporation also entered into foreign currency forward contracts and options strategies mainly to hedge the variability in the expected foreign currency exchange rate of certain currencies against the Canadian dollar. The net fair market value gain of these forward contracts and options amounted to US$0.3 million and was recorded in the consolidated statement of earnings.

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

Taking into account the amounts denominated in foreign currencies and presuming that all of the other variables remain unchanged, a fluctuation in exchange rates would have an impact on the Corporation's net earnings. Management believes that a 10% change (10% in 2016) in exchange rates could be reasonably possible.

The table below summarizes the impacts of a 10% weakening or strengthening in the exchange rates on the net earnings and statement of other comprehensive income:

	2017			
	US Dollar	Sterling Pound	Swedish Krona	Australian Dollar
Net earnings	5.3	1.5	2.4	2.1
Other comprehensive income	4.6	1.7	1.1	5.8

	2016			
	US Dollar	Sterling Pound	Swedish Krona	Australian Dollar
Net earnings	4.0	2.4	0.7	2.4
Other comprehensive income	0.9	1.3	11.4	0.2

INTEREST RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to the risk of changes in market interest rates relates primarily to its bank advances, notes payable and certain long-term debts with floating interest rates. This risk is partially offset by cash held at variable rates.

A 100 base point spread ("BPS") fluctuation in interest rates would not have a material impact on the Corporation's consolidated net earnings.

LIQUIDITY RISK

Liquidity risk is the risk that the Corporation will encounter difficulties in meeting its obligations as they fall due.

A centralized treasury function ensures that the Corporation maintains funding flexibility by assessing future cash flow expectations and by maintaining sufficient headroom on its committed borrowing facilities. Borrowing limits, cash restrictions and compliance with debt covenants are also taken into account.

The Corporation watches for liquidity risks arising from financial instruments on an ongoing basis. Management monitors the liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times. WSP has access to committed lines of credit with banks (note 14).

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

The tables below present the contractual maturities of financial liabilities as at December 31, 2017, and 2016. The amounts disclosed are contractual undiscounted cash flows.

	2017				
	Carrying amount $	Contractual cash flows $	Less than a year $	Between 1 and 2 years $	More than 2 years $
Accounts payable and accrued liabilities, including non-current portion of provisions	1,483.1	1,483.1	1,361.9	121.2	—
Dividends payable to shareholders	38.7	38.7	38.7	—	—
Long-term debts, including current portion	1,158.7	1,257.8	287.8	28.9	941.1
Financial liabilities, including current portion	71.2	73.0	45.8	18.2	9.0
	2,751.7	2,852.6	1,734.2	168.3	950.1

	2016				
	Carrying amount $	Contractual cash flows $	Less than a year $	Between 1 and 2 years $	More than 2 years $
Accounts payable and accrued liabilities, including non-current portion of provisions	1,342.1	1,342.1	1,267.7	74.4	—
Dividends payable to shareholders	38.0	38.0	38.0	—	—
Long-term debts, including current portion	1,050.1	1,142.6	138.9	284.2	719.5
Financial liabilities, including current portion	32.0	32.5	18.1	8.9	5.5
	2,462.2	2,555.2	1,462.7	367.5	725.0

As at December 31, 2017, the Corporation had unused credit facilities of $584.7 ($495.8 in 2016), net of outstanding letters of credit of $81.6 ($209.0 in 2016), and cash net of bank overdraft of $178.6 ($230.5 in 2016).

26 COMMITMENTS AND CONTINGENCIES

LEASES

The Corporation leases various office premises and equipment under non-cancellable operating lease agreements. The lease terms vary from six months to ten years, and the majority of lease agreements can be renewed at market rates.

The lease expenditure included in the consolidated statements of earnings amounted to $194.2 for the year ended December 31, 2017 ($194.2 for the year ended December 31, 2016).

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2017 $	2016 $
No later than 1 year	187.0	182.5
Later than 1 year and no later than 5 years	713.8	564.1
Later than 5 years	242.0	203.0
	1,142.8	949.6

CONTINGENCIES

The Corporation is currently facing legal proceedings for work carried out in the normal course of its business. The Corporation takes out a professional liability insurance policy in order to manage the risks related to such proceedings. Based on advice and information provided by its legal advisers and on its experience in the settlement of similar proceedings, Management believes that the Corporation has accounted for sufficient provisions in that regard and that the final settlement should not exceed the insurance coverage significantly or should not have a material effect on the financial position or operating results of the Corporation.

As a government contractor, the Corporation may be subject to laws and regulations that are more restrictive than those applicable to non-government contractors. Government scrutiny of contractors' compliance with those laws and regulations through audits and investigations is inherent in government contracting, and, from time to time, Management receives inquiries and similar demands related to the Corporation's ongoing business with government entities. Since 2012, the Corporation has been the object of investigations and search warrants initiated by the Unité Permanente Anticorruption (UPAC) and the Competition Bureau in several regions within the Province of Québec. Some of the investigations conducted by the Competition Bureau have been referred for consideration to the Public Prosecution Service of Canada. On February 11, 2013, the Corporation announced that it was in possession of information confirming that inappropriate conduct in the Province of Québec in the financing of political parties and the awarding of municipal contracts had occurred in the past. To date, no charges have been brought against the Corporation nor has the Corporation received any claims for fines, penalties or other monetary compensation in relation to the investigations initiated by the UPAC and the Competition Bureau. During the course of 2017, the Corporation, in connection with the voluntary reimbursement program established pursuant to Bill 26, *An Act to ensure mainly the recovery of amounts improperly paid as a result of fraud or fraudulent tactics in connection with public contracts*, enacted in April 2015 and to which the Corporation indicated its participation in March 2016, came to a settlement with the Québec government and satisfied its obligations under such settlement. The Corporation is taking steps to address

any other contingencies relating with the above but cannot predict at this time the final outcome, potential losses or amounts that may have to be reimbursed to any governmental authorities, if any, with respect to any investigation by such governmental authorities in respect of these facts, including the possibility that their scope may be broadened which could have an impact on its future results of operations.

27 SEGMENT INFORMATION

(a) MAJOR CUSTOMERS

As at December 31, 2017, and 2016, no individual customer represented more than 10% of the Corporation's consolidated revenues or in trade receivables.

(b) SEGMENTED INFORMATION

The Corporation manages through four reportable operating segments, which are the following: Canada, Americas (USA and Latin America), EMEIA (Europe, Middle East, India and Africa) and APAC (Asia Pacific, comprising Asia, Australia and New Zealand).

The GLT assesses the performance of the operating segments based on revenues, net revenues and adjusted EBITDA before Global Corporate costs. Adjusted EBITDA before Global Corporate costs excludes items such as business acquisition transaction and integration expenses, and Global Corporate costs, which the Corporation believes should not be considered when assessing the underlying financial performance of the reportable segments. Global Corporate costs are expenses and salaries related to centralized functions, such as global finance, legal, human resources and technology teams, which are not allocated to segments. This measure also excludes the effects of financial expenses, depreciation, amortization and income taxes.

Sales between segments are carried out at arm's length and are eliminated upon consolidation.

The revenues reported to the GLT are measured in a similar manner as in the consolidated statements of earnings and exclude intersegmental revenues.

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

The tables below present the Corporation's operations based on reportable operating segments.

	Year-to-Date ended December 31, 2017				
	Canada	Americas	EMEIA	APAC	Total
Revenues	1,180.4	2,528.5	2,373.5	859.8	6,942.2
Less: Subconsultants and direct costs	(203.0)	(878.0)	(388.8)	(115.8)	(1,585.6)
Net revenues	977.4	1,650.5	1,984.7	744.0	5,356.6
Adjusted EBITDA before Global Corporate costs	120.6	220.2	197.0	76.4	614.2
Global corporate costs					(59.0)
Acquisition and integration costs					(28.4)
Financial expenses					(41.1)
Depreciation and amortization					(168.8)
Share of taxation and amortization of associates					(1.5)
Earnings before income tax					315.4

	Year-to-Date ended December 31, 2016				
	Canada	Americas	EMEIA	APAC	Total
Revenues	1,145.5	2,306.6	2,147.0	780.5	6,379.6
Less: Subconsultants and direct costs	(193.5)	(824.2)	(362.0)	(104.8)	(1,484.5)
Net revenues	952.0	1,482.4	1,785.0	675.7	4,895.1
Adjusted EBITDA before Global Corporate costs	91.3	201.9	190.3	66.0	549.5
Global corporate costs					(50.5)
Acquisition and integration costs					(32.9)
Financial expenses					(38.9)
Depreciation and amortization					(159.5)
Share of taxation and amortization of associates					(1.9)
Earnings before income tax					265.8

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

(c) GEOGRAPHIC INFORMATION

The following revenues have been allocated to geographic regions based on the country of operation of the Corporation.

	2017 $	2016 $
United States	2,456.2	2,261.3
Canada	1,180.4	1,145.5
United Kingdom	1,004.2	856.8
Sweden	680.7	617.3
Others	1,620.7	1,498.7
	6,942.2	6,379.6

The Property and equipment, goodwill and intangible assets are allocated in the following countries:

	2017 $	2016 $
United States	1,221.4	1,324.1
Canada	1,032.0	1,058.7
United Kingdom	346.9	345.6
Others	1,049.3	703.6
	3,649.6	3,432.0