



COMPANY: **BIRD CONSTRUCTION INC.**
LISTING: TORONTO STOCK EXCHANGE
SYMBOL: **BDT**
DATE: August 4, 2016
SUBJECT: BIRD CONSTRUCTION INC. ANNOUNCES 2016 SECOND QUARTER RESULTS

HIGHLIGHTS:

- Second quarter 2016 net income of \$3.9 million on construction revenue of \$413.2 million, compares with \$10.8 million and \$335.3 million, respectively, in the second quarter of 2015. The decrease in the amount of second quarter 2016 net income is primarily a result of the realization of a lower gross profit percentage inherent in the Company's commercial and institutional work program offset to some extent by lower general and administrative expenses.
- The second quarter was impacted negatively by the wildfires in the Fort McMurray area in both industrial and institutional project sites. The negative pre-tax impact was \$3.1 million in the quarter. In addition, two projects experienced design delays and other issues which served to increase the cost to complete by \$3.2 million in the aggregate, further impacting the results in the quarter. The Company has put the owner of each project on notice of our intention to file a claim. Due to the complexity of the projects, we expect the claims process for each project to extend beyond the end of 2016 to resolve.
- For the six months ended June 30, 2016 the Company recorded net income of \$13.2 million on construction revenue of \$751.5 million, compared with net income of \$15.5 million on construction revenue of \$641.5 million in 2015. The reduction in 2016 earnings is mainly due to the realization of a lower gross profit percentage realized on the Company's commercial and institutional work program offset to some extent by lower general and administrative expense.
- During the first half of 2016, the Company secured \$634.7 million of new construction contracts, including change orders on existing contracts which contributed to a Backlog of \$1,546.0 million at June 30, 2016, compared with \$1,662.8 million at December 31, 2015. Construction contract awards were received in all market sectors across the country including the industrial sector in Western Canada.
- In the second quarter, the Bird-Civeo Joint Venture was selected as the contractor to deliver the Cedar Valley Lodge, the workforce accommodation project required by LNG Canada to support the construction of its proposed liquefaction and export facility in Kitimat, BC and were authorized to proceed with the actual design and engineering of the workforce accommodations. The Bird-Civeo Joint Venture was notified shortly after the close of the quarter that the Final Investment Decision (FID) by the joint venture partners of the LNG Canada development, led by Shell, has been delayed indefinitely. At this time, there is no impact to our backlog from this decision and the design and engineering project is ongoing and expected to be completed in fourth quarter.
- Bird's Board of Directors declares monthly dividends of \$0.0633 per common share for August, September and October 2016.

"Notwithstanding the impact of the wildfires in Fort McMurray, our second quarter results reflect the anticipated shift in our work program from higher margin industrial projects to lower margin institutional work" commented Mr. Ian Boyd, President and CEO of Bird Construction. "With over \$1.5 billion in Backlog, we anticipate strong revenues through the end of 2016, although earnings will not replicate those recorded in 2015, adjusted for the impact of the impairment charge. The Company is anticipating an active institutional market in 2017 with numerous alternative finance project opportunities, for which the Company is now positioning itself and will actively pursue. However, successful award of these projects would primarily benefit years subsequent to 2017. Consequently, with industrial opportunities still waning and the timing of the institutional opportunities, 2017 will be a transition year in rebuilding the Company's earnings base."

Financial Results

('000s except per share amounts)

	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Construction Revenue	\$413,195	\$335,322	\$751,489	\$641,485
Net income and comprehensive income	\$3,886	\$10,815	\$13,229	\$15,542
Basic and diluted earnings per share	\$0.09	\$0.26	\$0.31	\$0.37

- Construction revenue of \$751.5 million in the six months ended June 30, 2016, was \$110.0 million higher than \$641.5 million recorded in the six months ended June 30, 2015. The 17.1% increase in revenues was primarily a result of the execution of the Company's institutional work program, which more than offset the decline in the Company's industrial work program.
- Net income of \$13.2 million in the six months ended June 30, 2016 compares to \$15.5 million in 2015. The reduction in the amount of 2016 net income is primarily due to lower gross profit relating to the lower gross profit percentage associated with execution of the Company's institutional work program. Year to date results reflect a \$3.1 million negative impact of the wildfires in the Fort McMurray area in both industrial and institutional project sites and a \$3.2 million provision recorded on two projects that the Company will pursue recovery from the owners for the additional costs incurred.

Bird Construction Inc. also announced that its Board of Directors has approved regular cash dividends for the months August, September and October 2016 in the amount of \$0.0633 per common share to be paid as follows:

- The August dividend of \$0.0633 per share will be paid on September 20, 2016, to the Shareholders of record as of the close of business on August 31, 2016.
- The September dividend of \$0.0633 per share will be paid on October 20, 2016, to the Shareholders of record as of the close of business on September 30, 2016.
- The October dividend of \$0.0633 per share will be paid on November 18, 2016, to the Shareholders of record as of the close of business on October 31, 2016.

A conference call for analysts and investors will be held at 10:00AM EDT on Friday, August 5, 2016, to discuss the quarterly results. The dial in number is 1-855-328-1925. Attendees are asked to be on the line 10 minutes prior to the start of the call.

This press release contains forward-looking statements that involve a number of risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. Many factors could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

The Toronto Stock Exchange does not accept responsibility for the adequacy or accuracy of this release.

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