SECOND QUARTER ENDED JUNE 29, 2019

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED

AUGUST 07, 2019

ABOUT US

WSP is one of the world's leading professional services consulting firms. We are dedicated to our local communities and propelled by international brainpower. We are technical experts and strategic advisors including engineers, technicians, scientists, architects, planners, surveyors and environmental specialists, as well as other design, program and construction management professionals. We design lasting solutions in the Transportation & Infrastructure, Property & Buildings, Environment, Power & Energy, Resources and Industry sectors, as well as offering strategic advisory services. With approximately 49,000 talented people globally, we engineer projects that will help societies grow for lifetimes to come.

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WSP GLOBAL INC.
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

(in millions of Canadian dollars)

	June 29, 2019	December 31, 2018
Assets	**$**	**$**
Current assets		
Cash (note 4)	252.8	254.7
Trade, prepaids and other receivables	1,900.3	1,857.6
Income taxes receivable	18.3	13.6
Cost and anticipated profits in excess of billings	1,138.8	1,116.1
	3,310.2	3,242.0
Non-current assets		
Other assets	214.3	197.0
Deferred income tax assets	105.2	116.1
Property and equipment	349.1	350.6
Intangible assets	317.7	367.7
Right-to-use assets (note 5)	972.6	—
Goodwill (note 6)	3,427.7	3,493.2
Total assets	**8,696.8**	**7,766.6**
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,610.8	1,787.5
Billings in excess of costs and anticipated profits	688.0	678.3
Income taxes payable	38.5	52.1
Dividends payable to shareholders (note 12)	39.4	39.2
Current portion of long-term debt (note 7)	1.5	42.3
Current portion of lease liability (note 5)	202.7	—
Other current financial liabilities	41.2	14.5
	2,622.1	2,613.9
Non-current liabilities		
Long-term debt (note 7)	1,596.0	1,461.2
Lease liability (note 5)	876.4	—
Other non-current financial liabilities	13.0	6.7
Provisions	76.2	153.1
Retirement benefit obligations	206.9	197.7
Deferred income tax liabilities	70.1	74.3
Total liabilities	**5,460.7**	**4,506.9**
Equity		
Equity attributable to shareholders		
Share capital (note 8)	2,696.1	2,656.5
Contributed surplus	205.7	204.9
Accumulated other comprehensive income	79.8	216.3
Retained earnings	254.9	181.3
	3,236.5	3,259.0
Non-controlling interest	(0.4)	0.7
Total equity	**3,236.1**	**3,259.7**
Total liabilities and equity	**8,696.8**	**7,766.6**

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 interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

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

	Second quarter ended		Year-to-date ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
	$	$	$	$
Revenues (note 9)	**2,311.7**	**2,025.9**	**4,485.3**	**3,936.6**
Personnel costs	1,324.7	1,171.9	2,614.8	2,308.8
Subconsultants and direct costs	543.1	484.8	1,053.3	925.8
Other operational costs	185.3	199.7	349.3	399.9
Acquisition, integration and restructuring costs (note 10)	15.4	18.2	24.4	25.4
Depreciation of property and equipment	24.3	22.6	48.3	44.3
Amortization of intangible assets	24.5	23.8	48.9	49.0
Depreciation of right-to-use assets (note 5)	59.1	—	118.2	—
Exchange loss (gain)	(0.8)	1.1	(1.3)	2.2
Share of income of associates and joint ventures (net of tax)	(4.4)	(0.5)	(7.0)	(0.7)
Total net operational costs	**2,171.2**	**1,921.6**	**4,248.9**	**3,754.7**
Net finance expenses (note 11)	21.4	14.8	32.1	27.0
Earnings before income taxes	**119.1**	**89.5**	**204.3**	**154.9**
Income tax expense	29.9	21.7	53.1	37.4
Net earnings for the period	**89.2**	**67.8**	**151.2**	**117.5**
Net earnings attributable to:				
Shareholders	88.7	67.4	152.3	117.1
Non-controlling interests	0.5	0.4	(1.1)	0.4
	89.2	67.8	151.2	117.5
Basic net earnings per share attributable to shareholders	0.84	0.65	1.45	1.13
Diluted net earnings per share attributable to shareholders	0.84	0.65	1.45	1.13
Basic weighted average number of shares	105,006,741	103,770,823	104,858,255	103,606,677
Diluted weighted average number of shares	105,299,746	104,015,114	105,135,285	103,826,962

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

(in millions of Canadian dollars)

	Second quarter ended		Year-to-date ended	
	June 29, 2019	**June 30, 2018**	**June 29, 2019**	**June 30, 2018**
	$	**$**	**$**	**$**
Comprehensive income				
Net earnings for the period	89.2	67.8	151.2	117.5
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to net earnings				
Currency translation adjustments (net of tax expense/(recovery) of ($3.7) (($0.1) in 2018) and ($6.8) year-to-date ($4.0 in 2018))	(79.6)	(27.4)	(156.0)	75.4
Translation adjustments on financial instruments designated as net investment hedge (net of tax expense/(recovery) of $1.9 (($0.5) in 2018)) and $5.8 year-to-date (($2.6) in 2018))	12.6	(2.6)	37.5	(16.8)
Items that will not be reclassified to net earnings				
Actuarial gain/(loss) on pension schemes (net of tax expense/(recovery) of ($1.8) ($2.0 in 2018) and ($4.4) year-to-date ($1.9 in 2018))	(5.8)	10.5	(18.0)	10.2
Total comprehensive income for the period	**16.4**	**48.3**	**14.7**	**186.3**
Comprehensive income attributable to:				
Shareholders	15.9	47.9	15.8	185.9
Non-controlling interests	0.5	0.4	(1.1)	0.4
	16.4	**48.3**	**14.7**	**186.3**

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

WSP GLOBAL INC.
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

(in millions of Canadian dollars)

	Attributable to Shareholders						
	Share capital $	Contributed Surplus $	Retained earnings $	Accumulated other comprehensive income $	Total $	Non-controlling interests $	Total equity $
Balance - January 1, 2018	**2,577.4**	**204.2**	**90.4**	**87.0**	**2,959.0**	—	**2,959.0**
Common shares issued under the DRIP	37.7	—	—	—	37.7	—	37.7
Exercise of stock options	1.2	(0.2)	—	—	1.0	—	1.0
Stock-based compensation expense	—	0.5	—	—	0.5	—	0.5
Comprehensive income							
Net earnings for the period	—	—	117.1	—	117.1	0.4	117.5
Actuarial gain/(loss) on pension schemes (net of tax)	—	—	—	10.2	10.2	—	10.2
Currency translation adjustments (net of tax)	—	—	—	75.4	75.4	—	75.4
Net investment hedge (net of tax)	—	—	—	(16.8)	(16.8)	—	(16.8)
Total comprehensive income	—	—	**117.1**	**68.8**	**185.9**	**0.4**	**186.3**
Declared dividends to shareholders	—	—	(77.7)	—	(77.7)	—	(77.7)
Balance - June 30, 2018	**2,616.3**	**204.5**	**129.8**	**155.8**	**3,106.4**	**0.4**	**3,106.8**

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

WSP GLOBAL INC.
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

(in millions of Canadian dollars)

	Attributable to Shareholders						
	Share capital $	Contributed Surplus $	Retained earnings $	Accumulated other comprehensive income $	Total $	Non-controlling interests $	Total equity $
Balance - January 1, 2019	**2,656.5**	**204.9**	**181.3**	**216.3**	**3,259.0**	**0.7**	**3,259.7**
Common shares issued under the DRIP (note 8)	39.2	—	—	—	39.2	—	39.2
Exercise of stock options (note 8)	0.4	—	—	—	0.4	—	0.4
Stock-based compensation expense	—	0.8	—	—	0.8	—	0.8
Comprehensive income							
Net earnings for the period	—	—	152.3	—	152.3	(1.1)	151.2
Actuarial gain/(loss) on pension schemes (net of tax)	—	—	—	(18.0)	(18.0)	—	(18.0)
Currency translation adjustments (net of tax)	—	—	—	(156.0)	(156.0)	—	(156.0)
Net investment hedge (net of tax)	—	—	—	37.5	37.5	—	37.5
Total comprehensive income	**—**	**—**	**152.3**	**(136.5)**	**15.8**	**(1.1)**	**14.7**
Declared dividends to shareholders (note 12)	—	—	(78.7)	—	(78.7)	—	(78.7)
Balance - June 29, 2019	**2,696.1**	**205.7**	**254.9**	**79.8**	**3,236.5**	**(0.4)**	**3,236.1**

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

(in millions of Canadian dollars)

	Second quarter ended		Year-to-date ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
	$	$	$	$
Operating activities				
Net earnings for the period	89.2	67.8	151.2	117.5
Adjustments (note 13a))	85.7	32.7	180.4	81.1
Income tax expense	29.9	21.7	53.1	37.4
Income taxes paid	(26.6)	(29.6)	(47.0)	(41.1)
Net finance expenses (note 11)	21.4	14.8	32.1	27.0
Change in non-cash working capital items (note 13b))	(103.0)	(97.0)	(245.5)	(151.0)
Net cash generated from (used in) operating activities	**96.6**	**10.4**	**124.3**	**70.9**
Financing activities				
Dividends paid to shareholders	(19.6)	(20.3)	(39.2)	(39.8)
Net variation in long-term debts	74.6	19.9	138.6	65.4
Net variation in other financial liabilities	0.3	(0.5)	(4.0)	(4.7)
Finance expenses paid and financing costs	(11.3)	(15.6)	(18.8)	(26.7)
Lease payments (note 5)	(64.6)	—	(130.0)	—
Issuance of common shares, net of issuance costs	0.4	0.3	0.5	1.0
Net cash generated from (used in) financing activities	**(20.2)**	**(16.2)**	**(52.9)**	**(4.8)**
Investing activities				
Business acquisitions	(50.8)	(4.3)	(55.5)	(45.6)
Additions to property and equipment	(13.8)	(19.0)	(36.4)	(38.6)
Proceeds from disposal of property and equipment	1.9	0.5	8.4	1.2
Additions to intangible assets	(5.7)	(8.5)	(10.1)	(14.7)
Other	—	0.6	—	0.8
Net cash generated from (used in) investing activities	**(68.4)**	**(30.7)**	**(93.6)**	**(96.9)**
Effect of exchange rate change on cash	(1.0)	(4.6)	(7.4)	2.9
Net change in cash	**7.0**	**(41.1)**	**(29.6)**	**(27.9)**
Cash, net of bank overdraft – Beginning of period	217.3	191.8	253.9	178.6
Cash, net of bank overdraft (note 4) - End of period	**224.3**	**150.7**	**224.3**	**150.7**

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

NOTES

(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 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 Blvd 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 interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, “Interim Financial Reporting.” The accounting policies followed in these interim condensed consolidated financial statements are the same as those applied in the Corporation’s annual consolidated financial statements for the year ended December 31, 2018, except for that pertaining to leases as a result of the adoption of *IFRS 16 -Leases* in the current period, detailed below.

All disclosures required for annual consolidated financial statements have not been included in these interim condensed consolidated financial statements. Therefore, these unaudited interim condensed consolidated financial statements should be read in conjunction with the Corporation’s most recent audited annual consolidated financial statements.

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

These interim condensed consolidated financial statements were approved by the Corporation’s Board of Directors on August 07, 2019.

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

The Corporation experiences seasonal trends in its business. In terms of revenues, excluding the impact of acquisitions, the first quarter of the fiscal year is typically the Corporation’s weakest quarter while the third quarter is usually its strongest quarter.

NEW ACCOUNTING STANDARDS EFFECTIVE IN 2019

Adoption of IFRS 16 - Leases

IFRS 16 - Leases, sets out the principles for the recognition, measurement and disclosure of leases. This standard superseded *IAS 17 - Leases*, and other leases-related interpretations, eliminated the classification of leases as either operating or finance type leases and introduced a single lessee accounting model.

The Corporation adopted *IFRS 16 - Leases* on January 1, 2019, using the modified retrospective method and therefore, comparatives for the 2018 financial year have not been restated. The adoption of *IFRS 16 - Leases* resulted in the recognition of right-to-use assets of 1,073.3 million, and a lease liability of 1,189.7 million, reflecting the present value of the future lease payments, in the Corporation's statement of financial position as at January 1, 2019.

On the Corporation's statement of earnings, depreciation of right-to use assets, and interest expense on lease liability, replaced the operating lease expenses that were recognized under *IAS 17 - Leases.*

Additional disclosures required by the adoption of this new standard can be found in note 5.

LEASES

The Corporation leases various office premises and equipment under lease agreements. Lease terms are negotiated on an individual basis, contain a wide range of different terms and conditions and usually can be renewed at market rates.

Leases are recognized as right-of-use assets and corresponding liability at the date of which the leased asset is available for use by the Corporation. Lease payments are allocated between the liability and finance cost. The finance cost is charged to the statement of earnings over the lease period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Lease extension options were taken into consideration as a result of the adoption of *IFRS 16 - Leases*.

Assets and liabilities arising from a lease are initially measured on a present value basis. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs, and
- restoration costs (if any)

Lease liability includes the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

The lease payments are discounted using the implicit interest rate in the lease, if that rate can be determined, or the Corporation's incremental borrowing rate.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the Corporation's statement of earnings. Short-term leases are leases with a lease term of twelve months or less. Low-value assets comprise IT-equipment and small items of office furniture.

In applying *IFRS 16 - Leases* for the first time, the Corporation has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases, and
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application

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.

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

The significant estimates, judgments and assumptions made by management in applying the Corporation's accounting policies are the same as those applied and described in the annual consolidated financial statements for the year ended December 31, 2018, except for *IFRS 16 - Leases*, adopted on January 1, 2019, as noted below.

Estimate of the lease term

When the Corporation recognizes a lease as a lessee, it assesses the lease term based on the conditions of the lease and determines whether it is reasonably certain that it will exercise its extension or termination option, if any. It then uses the expected modified term under such option if it is reasonably certain that it will be exercised. As such, a change in the assumption used could result in a significant impact in the amount recognized as right-of-use asset and lease liability, as well as in the amount of depreciation of right-of-use asset and interest expense on lease liability.

Assessment of whether a right-of-use asset is impaired

The Corporation assesses whether a right-of-use asset is impaired in accordance with *IAS 36, Impairment of assets*. Such assessment occurs particularly when it vacates an office space and it must determine the recoverability of the asset, to the extent that the Corporation can sublease the assets or surrender the lease and recover its costs. The Corporation examines its lease conditions as well as local market conditions and estimates its recoverability potential for each vacated premise. The determination of the lease cost recovery rate involves significant management estimates based on market availability of similar office space and local market conditions. This significant estimate could affect its future results if the Corporation succeeds in subleasing their vacated offices at a higher or lower rate or at different dates than initially anticipated.

Determining the discount rate for leases

IFRS 16 - Leases requires the Company to discount the lease payments using the implicit interest rate in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate ("IBR"). The Company generally used its IBR when recording leases initially, since the implicit rates are not readily available due to information not being available from the lessor regarding the fair value of underlying assets and directs costs incurred by the lessor related to the leased assets. The determination of the IBR requires the use of various assumptions which, if different than those being used, could result in a significant impact in the amount recognized as right-of-use asset and lease liability, as well as in the amount of depreciation of right-of-use asset and interest expense on lease liability.

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

Determining if a contract modification increasing the scope of a lease is a separate lease or not

When a lease modification increasing the scope of a lease occurs, the Company needs to determine if such modification is to be accounted for as a separate lease or not. Such determination requires the use of judgment on the stand-alone selling price and any appropriate adjustments to the stand-alone selling price reflecting the circumstance of the particular contract.

4 CASH

	June 29, 2019	December 31, 2018
	$	$
Cash	252.8	254.7
Less: Bank overdraft	(28.5)	(0.8)
Cash net of bank overdraft	224.3	253.9

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

5 RIGHT-TO-USE ASSETS AND LEASE LIABILITY

	Right-to-use Assets		
	Real Estate	Equipment	Total
Adoption of IFRS 16 - January 1, 2019	1,040.2	33.1	1,073.3
Additions through business acquisitions	4.2	—	4.2
Additions	10.2	1.1	11.3
Depreciation for the period	(113.2)	(5.0)	(118.2)
Lease inducement allowance	18.2	—	18.2
Exchange differences	(15.6)	(0.6)	(16.2)
Balance - End of period	944.0	28.6	972.6

	Lease Liability		
	Real Estate	Equipment	Total
Adoption of IFRS 16 - January 1, 2019	1,156.6	33.1	1,189.7
Additions through business acquisitions	4.2	—	4.2
Additions	10.2	1.2	11.4
Interest expense for the period (note 11)	23.3	0.7	24.0
Payments	(122.1)	(7.9)	(130.0)
Exchange differences	(19.7)	(0.5)	(20.2)
	1,052.5	26.6	1,079.1
Less: Short-term portion	191.3	11.4	202.7
Balance - End of period	861.2	15.2	876.4

6 GOODWILL

	June 29, 2019	December 31, 2018
	$	$
Balance – Beginning of period	3,493.2	2,979.0
Goodwill resulting from business acquisitions	48.2	405.2
Exchange differences	(113.7)	109.0
Balance – End of period	3,427.7	3,493.2

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

7 LONG-TERM DEBT

	June 29, 2019	December 31, 2018
	$	$
Credit facility	1,585.8	1,460.4
Other debt	11.7	43.1
	1,597.5	1,503.5
Less: Current portion	1.5	42.3
	1,596.0	1,461.2

CREDIT FACILITY

WSP has in place a US$1,800.0 million credit facility with a syndicate of financial institutions (the "Lenders") comprised of:

- a senior unsecured non-revolving term credit facility which consists of a principal amount of US$600.0 million (the "Term Facility"), made up of three term loans of US$200.0 million, expiring on December 31, 2020, December 18, 2021 and December 18, 2022, respectively; and

- a senior unsecured revolving credit facility to a maximum amount of US$1,200.0 million (the "Revolving Credit Facility"). The maturity date of the Revolving Credit Facility is December 31, 2022.

The amount available under the credit facility is $698.8 million as at June 29, 2019.

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

8 SHARE CAPITAL

Authorized

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

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

Issued and paid

	Common shares	
	Number	**$**
Balance as at January 1, 2018	103,160,592	2,577.4
Shares issued under the DRIP	1,245,079	77.4
Shares issued upon exercise of stock options	35,745	1.7
Balance as at December 31, 2018	104,441,416	2,656.5
Shares issued under the DRIP (note 12)	603,803	39.2
Shares issued upon exercise of stock options	9,342	0.4
Balance as at June 29, 2019	105,054,561	2,696.1

As at June 29, 2019, no preferred shares were issued.

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

9 REVENUES

The tables below present the Corporation's revenues by market sector and client category.

	Second quarter ended		Year-to-date ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
	$	$	$	$
Market sector				
Transportation & Infrastructure	1,205.4	1,058.1	2,326.5	2,021.4
Property & Buildings	496.5	488.2	1,004.5	948.2
Environment	229.2	196.0	463.7	415.2
Industry	40.2	37.4	77.7	71.6
Resources	160.2	115.4	277.0	207.1
Power & Energy	100.0	86.0	191.4	169.0
Other Services	80.2	44.8	144.5	104.1
	2,311.7	2,025.9	4,485.3	3,936.6
Client Category				
Public sector	1,308.7	1,093.7	2,528.5	2,217.9
Private sector	1,003.0	932.2	1,956.8	1,718.7
	2,311.7	2,025.9	4,485.3	3,936.6

10 ACQUISITION, INTEGRATION AND RESTRUCTURING COSTS

	Second quarter ended		Year-to-date ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
	$	$	$	$
Business acquisition related costs	3.1	—	3.5	—
Business integration related costs	12.0	11.4	18.9	18.6
IT outsourcing program costs	—	6.8	—	6.8
Restructuring costs	0.3	—	2.0	—
	15.4	18.2	24.4	25.4

Included in acquisition, integration and restructuring costs are personnel costs of $6.6 and $6.1, and 11.9 and 6.6 for the respective second quarters and year-to-date periods of 2019 and 2018.

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.

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

11 NET FINANCE EXPENSES

	Second quarter ended		Year-to-date ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
	$	$	$	$
Interest related to credit facility	18.6	11.3	35.1	22.4
Interest expense on lease liability (note 5)	12.0	—	24.0	—
Net finance expenses on pension obligations	1.6	1.6	2.9	3.0
Exchange loss/(gain) on assets/liabilities in foreign currencies	(7.5)	0.3	(15.4)	(0.3)
Other interest and bank charges	0.4	3.7	2.9	6.2
Loss/(gain) on financial assets in others assets	(3.7)	(1.8)	(14.4)	(2.6)
Interest income	—	(0.3)	(3.0)	(1.7)
	21.4	14.8	32.1	27.0

12 DIVIDENDS

The Corporation aims to declare and pay dividends on a quarterly basis to shareholders. The total amount of dividends declared by the Corporation for the second quarter ended June 29, 2019 was $39.4 or $0.375 per share.

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.

Following the payment of dividends declared on November 7, 2018 and March 13, 2019, $39.2 was reinvested in 603,803 common shares under the DRIP.

On July 15, 2019, on the payment of the second quarter dividend, $20.4 was reinvested 285,384 additional common shares under the DRIP.

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

13 STATEMENTS OF CASH FLOWS

a) ADJUSTMENTS

	Second quarter ended		Year-to-date ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
	$	$	$	$
Depreciation and amortization	107.9	46.4	215.4	93.3
Share of earnings of associates and joint-ventures (net of tax)	(4.4)	(0.5)	(7.0)	(0.7)
Defined benefit pension scheme expense	2.8	2.2	7.2	6.0
Cash contribution to defined benefit pension schemes	(3.0)	(3.2)	(6.4)	(6.2)
Foreign exchange and non-cash movements	(3.9)	0.5	(9.4)	1.1
Other	(13.7)	(12.7)	(19.4)	(12.4)
	85.7	32.7	180.4	81.1

b) CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	Second quarter ended		Year-to-date ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
	$	$	$	$
Decrease (increase) in:				
Trade, prepaid and other receivables	(80.8)	(54.5)	(59.0)	(61.3)
Costs and anticipated profits in excess of billings	(112.2)	19.5	(140.2)	(47.3)
Increase (decrease) in:				
Accounts payable and accrued liabilities	(14.0)	(37.1)	(80.9)	(83.9)
Billings in excess of costs and anticipated profits	104.0	(24.9)	34.6	41.5
	(103.0)	(97.0)	(245.5)	(151.0)

14 FINANCIAL INSTRUMENTS

During the quarter, the Corporation entered into cross currency swaps for a nominal amount of US$349.1 million to hedge a portion of its US denominated debt at a USD/CAD rate of 1.3291 and a nominal amount of US$55.4 million to hedge a portion of its US denominated debt at a USD/SEK rate of 9.4404. The fair market value loss amounted to US$6.0 million and was recorded in the statement of earnings. All cross currency swap agreements expire in the third quarter of 2019.

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$3.5 million and was recorded in the statement of earnings.

The Corporation also entered into interest rate swaps for a nominal amount of US$250 million to hedge the variability in interest rates of its US denominated debt. The net fair market value of these interest rate swap agreements is not material and was recorded in the statement of comprehensive income.

15 CONTINGENT LIABILITIES

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.

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

16 SEGMENT INFORMATION

The Corporation manages through four reportable 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 Corporation's global leadership team ("GLT") assesses the performance of the reportable 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, integration and restructuring costs, 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.

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

					Second quarter ended June 29, 2019
	Canada	**Americas**	**EMEIA**	**APAC**	**Total**
Revenues	320.3	927.4	741.0	323.0	2,311.7
Less: Subconsultants and direct costs	(46.1)	(316.4)	(138.1)	(42.5)	(543.1)
Net revenues	274.2	611.0	602.9	280.5	1,768.6
Adjusted EBITDA before Global Corporate costs	52.0	122.6	77.3	38.9	290.8
Global corporate costs					(25.4)
Acquisition, integration and restructuring costs					(15.4)
Financial expenses					(21.4)
Depreciation and amortization					(107.9)
Share of taxation and amortization of associates					(1.6)
Earnings before income tax					119.1

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

	Second quarter ended June 30, 2018				
	Canada	**Americas**	**EMEIA**	**APAC**	**Total**
Revenues	328.9	684.5	707.8	304.7	2,025.9
Less: Subconsultants and direct costs	(53.8)	(242.2)	(143.2)	(45.6)	(484.8)
Net revenues	275.1	442.3	564.6	259.1	1,541.1
Adjusted EBITDA before Global Corporate costs	37.9	74.0	54.3	26.0	192.2
Global corporate costs					(22.7)
Acquisition, integration and restructuring costs					(18.2)
Financial expenses					(15.1)
Depreciation and amortization					(46.4)
Share of taxation and amortization of associates					(0.3)
Earnings before income tax					89.5

	Year-to-date ended June 29, 2019				
	Canada	**Americas**	**EMEIA**	**APAC**	**Total**
Revenues	604.8	1,755.8	1,489.7	635.0	4,485.3
Less: Subconsultants and direct costs	(86.1)	(605.8)	(273.9)	(87.5)	(1,053.3)
Net revenues	518.7	1,150.0	1,215.8	547.5	3,432.0
Adjusted EBITDA before Global Corporate costs	90.0	201.2	160.5	77.0	528.7
Global corporate costs					(46.4)
Acquisition, integration and restructuring costs					(24.4)
Financial expenses					(35.1)
Depreciation and amortization					(215.4)
Share of taxation and amortization of associates					(3.1)
Earnings before income tax					204.3

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

	Year-to-date ended June 30, 2018				
	Canada	**Americas**	**EMEIA**	**APAC**	**Total**
Revenues	616.7	1,378.3	1,350.7	590.9	3,936.6
Less: Subconsultants and direct costs	(98.8)	(505.7)	(236.1)	(85.2)	(925.8)
Net revenues	517.9	872.6	1,114.6	505.7	3,010.8
Adjusted EBITDA before Global Corporate costs	61.5	123.2	111.7	49.2	345.6
Global corporate costs					(42.6)
Acquisition, integration and restructuring costs					(25.4)
Financial expenses					(28.7)
Depreciation and amortization					(93.3)
Share of taxation and amortization of associates					(0.7)
Earnings before income tax					154.9