

THE CHURCHILL CORPORATION

**For immediate release
Tuesday, March 21, 2006**

CHURCHILL ANNOUNCES 2005 RESULTS

The Churchill Corporation today reported its financial results for the year ended December 31, 2005.

Key results of the year include:

- Revenue was \$479.8 million, up \$145.2 million from \$334.6 million in 2004.
- Net earnings were \$3.8 million (\$0.24 per share), compared with net loss of \$6.2 million (\$0.51 loss per share) in 2004.
- Work-in-hand at year-end was \$247.2 million, down \$4.3 million from \$251.5 million at the end of 2004.

“2005 was a positive year for Churchill. Improved conditions in all of our markets, internal organizational and systems changes, as well as new capital restructuring, combined to produce significant improvement in our financial results” said Norm Rokosh, Churchill’s President and Chief Executive Officer. “Revenue increased for all but one of our operating companies and was considerably above 2004 on a consolidated basis for the Corporation. More importantly, each of Churchill’s subsidiaries significantly improved its’ operating results from the prior year.”

“Revenue of \$479.8 million was the highest level in the Corporation’s history. This was an increase of 43.4% over 2004, and was indicative of the rapid improvement in our markets. The most dramatic increase was in our industrial market, where our operating companies achieved combined revenue of \$255.1 million, an increase of 152.1% on a year-over-year basis. Three of our companies, Laird Electric, Triton and Fuller Austin, reached the highest levels of annual revenue in their history. Triton experienced a loss for 2005, however process and systems improvements resulted in improved performance. Our building construction company, Stuart Olson, had another strong year and although the company’s revenue was moderately below the prior year, its earnings increased considerably.”

“The advancement of Churchill’s capital restructuring program was an important achievement during the year. A private placement for new equity was followed up with a new financing package, and this, combined with our positive earnings, provided Churchill with a strengthened balance sheet. We were thus able to take advantage of the many opportunities available in this buoyant market.”

“The market for our services is expected to remain strong in 2006. We still face challenges going forward including the further turn-around at Triton and the growing shortage of skilled construction workers in Alberta. Churchill is the right company, at the

right time, in the right market sectors. We are facing the strongest construction market in our history and look forward to 2006 being an even better year.”

Fourth quarter highlights include:

- Revenue was \$138.8 million, compared to \$101.8 million in 2004.
- Net earnings were \$1.6 million (\$0.09 per share), compared with a net loss of \$3.7 million (\$0.31 loss per share) in 2004.

On December 31, 2005, Churchill had 17,895,686 Common Shares issued and outstanding.

The Churchill Corporation

CONSOLIDATED BALANCE SHEETS

as at December 31

	2005	2004
(\$ thousands)		
Assets		
Current Assets		
Cash and equivalents	\$ 29,177	\$ 11,719
Term deposit	-	4,000
Accounts receivable	72,417	77,325
Inventories and prepaid expenses	1,724	1,663
Costs in excess of billings	13,127	-
Properties for sale	-	103
Income taxes recoverable	3,310	954
Future income tax assets	-	1,921
	119,755	97,685
Future income tax assets	435	549
Property and equipment	15,556	15,528
Intangible assets	-	231
Refundable deposit	1,000	1,000
Goodwill	7,315	7,315
	\$ 144,061	\$ 122,308
Liabilities		
Current Liabilities		
Bank indebtedness	\$ 7,780	\$ -
Accounts payable	81,775	67,363
Contract advances and unearned income	-	17,937
Future income tax liabilities	3,706	-
Current portion of long-term debt	597	9,358
Demand term loan	7,540	-
	101,398	94,658
Long-term debt	2,301	1,849
Future income tax liabilities	143	935
	103,842	97,442
Shareholders' Equity		
Share capital	15,472	4,289
Contributed surplus	5,754	5,378
Retained earnings	18,993	15,199
	40,219	24,866
	\$ 144,061	\$ 122,308

The Churchill Corporation

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

For the years ended December 31,

(\$ thousands, except per share amounts)	2005	2004
Construction Operations		
Contract revenue	\$ 479,820	\$ 334,618
Contract costs	440,015	316,620
Contract income	39,805	17,998
Interest income	250	469
Sundry income	858	468
Indirect and administrative expenses	(31,735)	(24,820)
Depreciation and amortization	(2,765)	(3,193)
Interest expense	(991)	(523)
Income (loss) before income taxes	5,422	(9,601)
Income Tax Recovery (Expense)		
Current income tax	3,321	932
Future income tax	(4,949)	2,500
	(1,628)	3,432
Net income (loss)	\$ 3,794	\$ (6,169)
Net income (loss) per common share		
Basic	\$ 0.24	\$ (0.51)
Fully diluted	\$ 0.24	\$ (0.51)

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

For the years ended December 31,

(\$ thousands)	2005	2004
Retained earnings, beginning of year,	\$ 15,199	\$ 21,383
Net income (loss)	3,794	(6,169)
Share redemption in excess of stated capital	-	(15)
Retained earnings, end of year	\$ 18,993	\$ 15,199

The Churchill Corporation

CONSOLIDATED STATEMENTS OF NET CASH FLOW

For the years ended December 31,

(\$ thousands)	2005	2004
Operating Activities		
Net income (loss)	\$ 3,794	\$ (6,169)
Non-cash items		
Depreciation and amortization	2,765	3,193
Gain on disposal of property for sale	(620)	-
Gain on disposal of equipment	(13)	(51)
Future income taxes	4,949	(2,500)
Stock-based compensation	376	74
	11,251	(5,453)
Net change in costs in accounts receivable, inventories and prepaid expenses	4,847	(10,065)
Net change in costs in accounts payable	14,412	16,414
Net change in costs in contract advances and unearned income	(31,064)	6,483
Change in income taxes recoverable	(2,356)	(2,059)
	(2,910)	5,320
Investing Activities		
Proceeds from agreement receivable	-	138
Redemption (purchase) of term deposit	4,000	(4,000)
Proceeds on disposal of property for sale	723	-
Proceeds on disposal of equipment	24	155
Additions to property and equipment	(2,573)	(8,704)
	2,174	(12,411)
Financing Activities		
Issuance of short-term debt	7,000	-
Issuance of common shares	4,183	498
Issuance of long-term debt	1,211	5,882
Issuance of demand term loan	7,800	-
Repayment of long-term debt	(9,520)	(2,174)
Repayment of demand term loan	(260)	-
Redemption of common shares	-	(18)
	10,414	4,188
Increase (decrease) in cash	9,678	(2,903)
Net cash, beginning of year	11,719	14,622
Net cash, end of year	\$ 21,397	\$ 11,719

Net cash is comprised of:		
Cash and equivalents	\$ 29,177	\$ 11,719
Bank indebtedness	(7,780)	-
	\$ 21,397	\$ 11,719

SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid during the year for:		
Interest expense	\$ 1,239	\$ 508
Income taxes	\$ 965	\$ 1,127

RESULTS OF OPERATIONS

Fourth Quarter Results

The activities for the three months ended December 31, 2005 resulted in revenue increasing to \$138.8 million from \$120.6 million in the previous quarter and \$101.8 million during the comparable period in 2004. The continued higher level of revenue on a year-over-year basis is indicative of a strengthening in all of the Corporation's markets. Laird's revenue increased significantly for the quarter to \$19.5 million from \$5.7 million in the same period in 2004. As well, Churchill's insulation companies experienced a significant increase to \$28.4 compared to \$15.8 million in the fourth quarter of 2004. Triton's revenue increased by \$12.0 million to \$31.3 million for the quarter while Stuart Olson's revenue of \$60.1 million was similar to that of \$61.7 million in the fourth quarter of 2004.

The Corporation's net earnings for the three months ended December 31, 2005 were \$1.6 million as compared to a net loss of \$3.7 million for the three months ended December 31, 2004. All of the operating companies were profitable in the fourth quarter of 2005 except Triton. Laird's earnings before tax were \$0.7 million; Stuart Olson's were \$2.2 million; and Industrial Insulation Contracting net earnings before tax were \$1.6 million for the quarter. Triton incurred a net loss before tax of \$1.4 million during the fourth quarter of 2005, due to large losses on a major construction contract. Triton had incurred a net loss of \$6.0 million during the comparable period in 2004. The loss in the fourth quarter of 2004 was primarily as a result of major losses incurred on the early contracts executed by Triton utilizing Churchill's modular fabrication facility. The fabrication facility was also intentionally operated below capacity through 2005 to improve systems and re-engineer processes to avoid a loss similar to 2004.

Annual Results

For the year ended December 31, 2005, The Churchill Corporation achieved net earnings of \$3.8 million on revenue of \$479.8 million, or net earnings per share of \$0.24 for the year. For the year ended December 31, 2004, the Corporation had a net loss of \$6.2 million on revenue of \$334.6 million, or a net loss per share of \$0.51.

Year over year revenues for the consolidated group increased \$145.2 million. In 2005, the industrial companies experienced a much higher level of activity than in 2004 with all showing significant increases in revenue. Laird's revenue was \$79.8 million for the year and was the highest in company history; this was an increase of \$60.1 million from \$19.7 million in 2004. The Industrial Insulation Contracting companies increased revenue by \$33.5 million to \$74.6 million in 2005 and Triton's revenue, also a historic high, increased by \$60.3 million to \$100.7 million from \$40.4 million in 2004. The Buildings segment, Stuart Olson had a modest decline in revenue to \$227.5 million compared to \$239.2 million in 2004. Revenue of the consolidated Churchill Corporation included an elimination of \$2.8 million for the year, compared to \$5.8 million in 2004. This elimination occurs when one of Churchill's companies does work for another.

Buildings

For the year ended December 31, 2005, Stuart Olson had revenue of \$227.5 million, compared to \$239.2 million in the prior year.

Stuart Olson entered the year with a backlog of \$139.6 million. During 2005, the company secured a further \$226.0 million of contracts, net of contract revisions, and executed and took into revenue \$227.5 million. It ended 2005 with a backlog of \$138.1 million. In addition to substantially replacing its backlog during the year, the company had several significant new contracts under negotiation that had not been finalized at year end and were thus not recognized as work-in-hand. Stuart Olson's market improved in 2005 as reflected by the considerable number of new projects available to the company as well as the higher contract margins. Institutional building projects in both Alberta and British Columbia accounted for the majority of the work, as the rapidly growing economies and increased government infrastructure spending of these two provinces generated many opportunities.

Earnings before tax for the year ended December 31, 2005, were \$4.4 million as compared to \$2.2 million for the year ended December 31, 2004.

Contract income increased from \$12.0 million in 2004 to \$14.9 million in 2005, and also increased as a percentage, from 5.0% of revenue to 6.5%. This is indicative of the company's improving efficiency and more buoyant markets.

Industrial General Contracting

Triton experienced a significant increase in revenue in 2005. The company's markets grew considerably during the year resulting in the highest revenue in its history. Triton's revenue for the year ended December 31, 2005 was \$100.7 million, a 149.3% increase from \$40.4 million for the year ended December 31, 2004.

The operating margin for 2005 was 6.9%, up from negative 5.3% in 2004. The margin improvement was due to improved market conditions coupled with a gain of \$1.7 million, associated with the resolution of a contractual settlement on a fabrication contract completed in 2005. These positive factors were offset by a significant loss on a major construction project in 2005.

Triton recorded a loss before tax of \$0.8 million for the year ended December 31, 2005, as compared to a loss before tax of \$8.3 million for the year ended December 31, 2004. Due to prior year operating losses in the modular fabrication facility, plant through-put was intentionally limited to a level below capacity for 2005 as systems and process improvements were implemented. This reduced operating level of the fabrication plant, together with the operating loss on a major construction project, resulted in a net loss for Triton for the year.

Triton began 2005 with \$45.6 million of work-in-hand. All of this was executed and brought into revenue for 2005. In addition, the company secured \$78.8 million of new work during the year, and executed \$55.1 million of this, leaving \$23.7 million to be executed in 2006.

Industrial Insulation Contracting

Industrial Insulation Contracting operates under three primary business units – Fuller Austin, Northern Industrial, and Lakehead Insulation- all providing insulation related contracting services for capital projects and maintenance work. Lakehead is a subsidiary of Fuller Austin.

The Industrial Insulation Contracting segment had an excellent year in 2005, with combined revenue reaching a record level. Revenue for the year ended December 31, 2005 increased by 81.5% to \$74.6 million from \$41.1 million in 2004. Although revenue increased, operating margins were down from the previous year, reflecting the nature of the contracts executed in 2005. Activity during the year was dominated by Fuller Austin completing one of the largest industrial insulation projects executed in Canada. This project was for a major oil sands producer in the Fort McMurray region and was carried out primarily during the second half of the year. Fuller Austin's operations outside of Alberta started the year slowly and improved as the year progressed, while Northern Industrial experienced a significant increase in activity. Lakehead's market, which is primarily related to the forest products industry, was steady with maintenance work although limited in new construction projects.

In 2005 the insulation companies executed a number of larger projects with lower operating margins than their historic work. Consequently, the overall margin for the year ended December 31, 2005 was 11.1%. In 2004, they executed higher margin projects resulting in an overall operating margin of 15.4%. The lower margin in 2005 reflects larger contracts with a higher material/labour mix.

Earnings before tax for the year ended December 31, 2005 were \$2.7 million, as compared to \$1.7 million for the year ended December 31, 2004.

Industrial Insulation Contracting entered 2005 with a work-in-hand backlog of \$22.2 million. The companies secured \$79.2 million of new contracts in 2005. They executed and took into revenue \$74.6 million, leaving a backlog of \$26.8 million for 2006.

Industrial Electrical Contracting

Laird Electric experienced a high level of activity in 2005 compared to an unusually slow 2004. The company generated a company record \$79.8 million of revenue, an increase

of \$60.1 million over 2004. The company's markets were particularly busy in the Fort McMurray region as oil sands projects moved into construction. Activity included providing electrical reconstruction services to a major oil sands producer who experienced a production fire in early 2005. Laird not only secured additional contracts with its traditional clients, but also expanded its client base to a number of other major oil sands producers. Power-line work accounted for increased revenue during the year as this portion of the business recovered markedly from the prior year.

Operating margins were 11.1% in 2005 compared to 8.9% in 2004. Laird achieved earnings before tax of \$2.7 million compared to an operating loss before tax of \$2.0 million in 2004. The higher operating margins were a result of the company's significantly improved construction markets as well as increased maintenance work, including a resumption of work deferred from 2004.

Laird had a backlog of work of \$44.1 million entering 2005. It secured \$94.4 million of new contracts during the year and executed \$79.8 million of work, leaving a work-in-hand backlog of \$58.7 million entering 2006.

Corporate and Other

In 2005, \$31.7 million of Indirect and Administrative expenses were incurred by the Churchill group of companies, compared to \$24.8 million for the year ended December 31, 2004. The increase of 27.8% in Indirect and Administrative expenses is due primarily to anticipated support costs associated with the 43.4% increase in revenue on a year-over-year basis as well as the additional costs of operating the fabrication plant for a full year as compared to five months in 2004. Salaries, training and facility costs account for the majority of this increase. Severance and recruitment costs of \$0.7 million were incurred associated with the corporate restructuring of Churchill's senior management. The Corporation incurred costs of \$1.4 million for the services of consultants related to process re-engineering of the industrial operations. Stock-based compensation expense of \$0.4 million was charged during the year compared to \$0.1 million in 2004.

In late 2004 Churchill struck a special committee of the Board of Directors. The mandate of this committee was to oversee the operation of the Corporation until a new senior management team was established. This included a comprehensive review of the operational and control systems with respect to the industrial operations and the fabrication plant, and implementation of measures for improvement. The committee's role also included the sourcing of new capital for the Corporation which resulted in a private placement on May 12, 2005. The compensation for the committee members was over and above the fees and disbursements contemplated in their role as Directors and members of the Corporation's various standing committees. This committee operated primarily through the first two quarters of 2005 during which time a committee member acted as Interim CEO. The amount paid during the year to the special committee members was \$0.4 million.

CASH FLOW, FINANCING, CAPITAL REQUIREMENTS, LIQUIDITY

For the year ended December 31, 2005, Churchill generated \$11.3 million of cash through revenue generating activities. The Corporation incurred increased working

capital requirements, due to its higher level of activity, resulting in the consumption of \$14.2 million of cash, related in part to the timing of collections and payments. The result was a net reduction in cash from operating activities of \$2.9 million. For the year ended December 31, 2004, Churchill consumed \$5.5 million of cash through its revenue generating activities and increased cash by \$10.8 million, related in part to the timing of collections and payments, resulting in a net positive cash flow from operating activities of \$5.3 million.

Churchill's working capital position, comprised of current assets less current liabilities excluding that portion of a demand term loan which is scheduled to be repaid beyond one year, was \$25.1 million at December 31, 2005, as compared to \$3.0 million at December 31, 2004. This substantial increase in working capital on a year-over-year basis is the result of positive earnings in 2005, combined with a major capital restructuring program implemented during the year. The capital restructuring program consisted of new equity financing and a new banking arrangement with increased borrowing capability.

At December 31, 2004, due to fourth quarter losses, the Corporation was not in compliance with certain of its debt covenants. As a result, \$6.6 million of long-term debt outstanding with the lender at December 31, 2004, which was not scheduled to be repaid in the next 12 months, was reclassified as a current liability.

In order to increase the level of working capital, the Corporation finalized an arrangement for additional equity funding of \$10.6 million on April 25, 2005, which arrangement was approved by the Shareholders at the Annual Meeting on May 12, 2005. This proposal included the issuance of 5,323,000 new Common Shares at a price of \$2.00 per share in a private placement. The \$2.00 share price was the closing market price of Churchill shares on April 15, 2005. This placement consisted of \$7.0 million (3,500,000 shares) subscribed by Matco Capital Ltd. ("Matco"), a private investment firm based in Calgary, Alberta and the balance of \$3.6 million (1,823,000 shares) subscribed by Peter Allard who had previously owned approximately 14% of Churchill Common Shares. The details of this proposal are described in the Corporation's press release of April 19, 2005 as well as the Material Change Report filed with the TSX on April 22, 2005.

To further increase its working capital, the Corporation completed a new banking facility arrangement during the year. This arrangement provided a \$7.8 million ten-year loan ("demand term loan") to replace the Corporation's previous term and acquisition loans as well as to extend the scheduled repayment period. An operating line of credit of \$12.0 million was provided to replace a temporary facility arranged in June 2005 and the agreement allowed for the release of \$4.0 million of term deposits previously held as security.

The Corporation returned to compliance with its bank debt covenants as a result of its profitability, combined with the additional equity funding and new banking arrangements.

Capital expenditures for the year ended December 31, 2005 were \$2.6 million as compared to \$8.7 million for the year ended December 31, 2004. In 2004 the Corporation commenced and completed construction of a new modular fabrication facility for use by its industrial companies. Approximately \$7.4 million was spent on the

construction of this facility during 2004 and a further \$0.1 million during 2005. The remaining \$2.5 million of capital expenditures in 2005 were primarily to replace portions of, or add to, the vehicle and equipment fleets.

During the year, the Corporation completed a debt-refinancing package. Under the terms of the new agreement, the lender provided the \$7.8 million demand term loan and a \$12.0 million operating line of credit. The proceeds of this financing were used to repay a term loan of \$3.2 million and an acquisition loan of \$4.0 million, with the balance of \$0.6 million going to working capital. In addition, a \$4.0 million term deposit posted as security for these facilities was released as part of the refinancing.

In January 2006, the maximum operating line of credit was subsequently increased by the Corporation's lender from \$12.0 million to \$16.0 million. As well, a new additional line of credit of \$3.0 million was added to the agreement; such line to be used specifically for the lease of vehicles and equipment pertaining to operations.

\$9.0 million was added to long-term debt during the year. This consisted of the \$7.8 million demand term loan described above as well as \$1.2 million of other long-term debt to fund additions to the vehicle fleet.

The Corporation repaid \$9.8 million of debt during the year ended December 31, 2005. \$7.2 million was to repay the balance outstanding on the term and acquisition loans as part of the refinancing described above and \$2.1 million were the scheduled payments on these loans. The remainder consisted primarily of scheduled payments on dealer financing for vehicles.

Churchill began 2005 with \$11.7 million in cash, of which \$10.5 million was subject to deemed trust conditions under the British Columbia Lien Act, as well as an additional \$4.0 million in term deposits held as security by the Corporation's bank. The operating, investing and financing activities throughout 2005 generated \$9.7 million of net additional cash. At December 31, 2005 the cash position was \$29.2 million, of which \$9.9 million was subject to certain deemed trust conditions, net of \$7.8 million of bank indebtedness.

The scheduled debt repayments for 2006 are \$1.4 million. The level of required replacement capital spending for Churchill is estimated to be in the range of \$2.9 million for 2006. These requirements are expected to again be met through a combination of operating and financing activities.

Churchill is a partner in two joint ventures. In each instance the Corporation has provided a joint and several guarantee, increasing the maximum potential payment to the full value of the work remaining under the contract. The Corporation also provided a joint and several guarantee as part of the transaction in the first quarter of 2003 in which Churchill's interest in the Lafrentz Road Services business was sold to a third party. There is no maximum potential payment under the guarantee. The Corporation placed a portion of its proceeds into an escrow account until February, 2008 to provide in part against potential claims under the guarantee.

Property for sale was disposed of during the year for a net gain over book value of \$0.6 million.

Shareholders' equity was \$40.2 million at December 31, 2005, as compared to \$24.9 million at December 31, 2004. Both 2004 and 2005 values include \$7.3 million of goodwill.

Share capital increased \$11.2 million from January 1, 2005 to December 31, 2005 as a result of the additional equity funding of \$10.6 million referred to above and 334,334 stock options being exercised. During 2005, Contributed Surplus increased by \$0.4 million over the \$5.4 million balance as of December 31, 2004. This increase is the result of share-based compensation awarded during the year. Retained Earnings increased from \$15.2 million at December 31, 2004 to \$19.0 million at December 31, 2005, reflecting the \$3.8 million net earnings for the year.

The 2003 purchase of Laird Electric included a refundable deposit of \$1.0 million that was recoverable by the Corporation in the event that Laird did not achieve a cumulative financial performance objective by December 31, 2005. The potential refund was secured by shares of the Corporation held in escrow without further recourse. Under the escrow agreements, the vendors were required to maintain \$1.0 million in escrow either through shares or equivalent cash if shares were released. At December 31, 2005, the Corporation has determined that the financial performance objective was not met entitling the Corporation to a repayment of the refundable deposit. Pursuant to the escrow agreements the vendors have the right to dispute management's assessment. Settlement under the escrow agreements is required no later than April 30, 2006. Under the agreements, should there be a repayment, it may be settled with cash or a return of shares of the Corporation valued at the trailing 30 day trading average, which as at December 31, 2005 was \$3.21 per share.

Options to acquire 334,334 Common Shares were exercised for cash during the period January 1, 2005 to December 31, 2005.

As at December 31, 2005 the Corporation had outstanding 17,895,686 common shares and 605,000 options convertible into common shares (December 31, 2004 – 12,238,352 common shares and 564,334 options).

The Corporation has an Employee Share Purchase Plan available to all full-time employees. At December 31, 2005 the Plan held 1,446,853 Churchill Common Shares for the employees. Under the Plan, shares are acquired in the open market.

The Corporation maintains a Share Option Plan for Directors and Officers, under which 605,000 options were outstanding as at December 31, 2005. In addition to the 334,334 options exercised during the year, there were 100,000 options cancelled. There were 86,666 options available for grant at December 31, 2005.

AMENDED THIRD QUARTER FINANCIAL STATEMENTS

The Canadian Institute of Chartered Accountants Emerging Issues Committee Abstract 122 (EIC 122) *"Balance Sheet Classification of Collectable Debt Obligation and Debt Obligations Expected To Be Refinanced"*, requires the entire outstanding balance of long-term debt obligations with demand features to be classified as current liabilities.

The financial statements for the three months ended September 30, 2005, as well as Management's Discussion and Analysis for the period have been restated to present the entire outstanding balance of the demand term loan entered into on September 7, 2005, as a current liability. As a result current liabilities have increased by \$7.0 million and long-term debt has decreased by \$7.0 million as at September 30, 2005.

The Corporation's lender has acknowledged that the \$7.0 million, which represents that portion of the demand term loan scheduled to be repaid beyond one year, will not be considered a current liability for the purpose of calculating debt covenants.

This restatement has no effect on the Corporation's statement of earnings for the period.

TERMINOLOGY

Throughout this Press Release, and other documents referred to, management uses the following terms which do not have any standardized meaning under Canadian GAAP as set out in the CICA Handbook. Specifically, the terms "contract income margin percentage", "work-in-hand" and "working capital" have been defined as -

Contract income margin percentage is the percentage derived by dividing Contract Income by Contract Revenue. Contract Income is calculated by deducting all associated direct and indirect costs from Contract Revenue in the period.

Work-in-hand is the unexecuted portion of work that has been contractually awarded to the Corporation. It includes contracts that have been awarded but not yet commenced construction, as well as an estimate of the revenue to be generated from maintenance contracts during the shorter of (a) the next two years, or (b) the remaining life of the contract.

Working capital is current assets less current liabilities excluding that portion relating to any demand loan which is scheduled to be repaid beyond one year.

FORWARD-LOOKING STATEMENTS

Certain statements in this press release and attachments may constitute "forward-looking statements". Although management of the Corporation believes its expectations regarding future performance of the Corporation are based on reasonable assumptions and currently available financial and economic data, market conditions and operating plans, it can give no assurance that its expectations will be achieved. Such forward-looking statements involve risk, uncertainties and other factors that might cause the actual results, performance or achievements of the Corporation to vary significantly from any future results, performances or achievements expressed or implied in any forward-looking statements.

The Churchill Corporation provides building construction, industrial construction and maintenance services throughout western Canada. Churchill shares are listed on The Toronto Stock Exchange under the symbol "CUQ".

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