



PRESS RELEASE

For Immediate Release

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The Churchill Corporation Reports Record Quarterly Profit & Backlog

Edmonton, Canada - The Churchill Corporation (TSX: CUQ) today announced record financial results for its third quarter ended September 30, 2008.

CONSOLIDATED FINANCIAL HIGHLIGHTS

(\$ millions, except per share amounts)	Three months ended September 30				Nine months ended September 30			
	2008	2007	\$ Change	% Change	2008	2007	\$ Change	% Change
Contract Revenue	\$228.9	\$203.8	\$25.1	12%	\$642.5	\$544.6	\$97.9	18%
Contract Income	28.0	17.9	10.1	56%	71.0	47.2	23.8	50%
EBITDA ⁽¹⁾	17.3	9.6	7.7	80%	40.4	22.1	18.3	83%
Earnings before Tax	16.0	8.4	7.6	90%	36.5	19.1	17.4	91%
Net Earnings	11.2	5.6	5.6	100%	25.2	12.9	12.3	95%
Per Share - Basic	\$0.62	\$0.31	\$0.31	100%	\$1.41	\$0.73	\$0.68	93%
Work-in-hand ⁽²⁾	585.8	734.5	-148.7	-20%	585.8	734.5	-148.7	-20%
Backlog ⁽³⁾	\$1,459.3	\$1,160.0	\$299.3	26%	\$1,459.3	\$1,160.0	\$299.3	26%

⁽¹⁾ ⁽²⁾ ⁽³⁾ Refer to the “Terminology” section for further details.

The Corporation posted third quarter contract revenue of \$228.9 million and net earnings of \$11.2 million (\$0.62 per share). These results compare to contract revenue of \$203.8 million and net earnings of \$5.6 million (\$0.31 per share) in Q3 2007.

“Churchill has once again delivered record quarterly profits,” said Peter Adams, President and Chief Executive Officer, The Churchill Corporation. “Stuart Olson, Insulation Holdings and Laird Electric exceeded previous record earnings results and during the nine months ended September 30, 2008 the Corporation exceeded its full year 2007 net earnings of \$21.1 million by \$4.1 million (19%). These results are indicative of the hard work of our various management teams and their staffs to strive for greater volumes, profitable execution and increased efficiency. Additionally, our backlog has increased to a new record level of \$1.5 billion. Operationally we will continue to focus on converting our work-in-hand volume into near-term shareholder profits.”

THIRD QUARTER RESULTS

For the third quarter of 2008, consolidated contract revenue was \$228.9 million, which was \$25.1 million or 12% greater than the same period in 2007. This higher level of revenue on a year-over-year basis was a result of continued strength in our building construction segment plus growth in all of our industrial segments. Revenue for the nine months ended September 30, 2008, was \$642.5 million compared to

\$544.6 million for the same period of 2007. Year to date contract revenue has increased by 14% in the building segment, 131% in the industrial general contracting segment, 38% in the insulation segment and decreased by 8% in the electrical contracting segment, for a consolidated increase of 18%.

Contract income increased from \$17.9 million in the third quarter of 2007 to \$28.0 million in the current quarter, as stronger margins in the buildings, insulation and electrical segments led to improved overall results. Contract income year to date was \$71.0 million, an increase of 50% over the first nine months of 2007. This year-over-year increase is due to greater overall construction volume and improved contract income margin percentage.

Indirect and administrative expenses amounted to \$11.3 million in the quarter, compared to \$9.2 million in the comparable period of 2007, reflecting increased expenses associated with higher revenue. For the nine months year to date, indirect and administrative expenses of \$33.0 million were \$5.9 million higher than in the corresponding period of 2007. Greater levels of activity in the buildings segment, consulting costs for the industrial electrical segment and greater corporate expenses were the main contributors to this increase.

EBITDA in the quarter was \$17.3 million, compared to \$9.6 million in the third quarter of 2007. EBITDA was \$40.4 million for the nine months ended September 30, 2008, an increase of \$18.3 million or 83% over the prior year period. Earnings before tax in Q3 2008 increased 90% to \$16.0 million, compared to \$8.4 million reported in Q3 2007. Earnings before tax were \$36.5 million for the nine months ended September 30, 2008, an increase of 91% from the \$19.1 million reported in 2007. The Corporation's consolidated net earnings for the three months ended September 30, 2008 were \$11.2 million compared to net earnings of \$5.6 million in 2007. Net earnings increased by 95% to \$25.2 million for the nine months ended September 30, 2008, as compared to net earnings of \$12.9 million during the same period in 2007.

Work-in-hand at September 30, 2008, was \$585.8 million compared to \$734.5 million in the third quarter of 2007. This reduction in work-in-hand is due to the timing and stage of contracting activity, and is not an indication of expected future activity levels. The Corporation's backlog at the conclusion of the quarter was \$1.5 billion, an increase of 26% compared to Q3 2007. New contract awards of \$229.2 million were booked into work-in-hand during the current quarter, which compares with \$180.9 million in Q3 2007. The majority of the increase in new work secured came from the buildings segment.

RESULTS OF OPERATIONS

Buildings

For the three months ended September 30, 2008, Stuart Olson's revenue increased by \$5.6 million to \$158.4 million, compared to \$152.8 million in the prior year. The company continues to experience higher levels of activity in all of its branches; however growth was particularly strong in the Southern Alberta and British Columbia branches. Stuart Olson remains active on projects ranging from educational and healthcare facilities, to civic infrastructure and commercial buildings.

Contract income margin in the third quarter increased 46% to \$17.1 million from \$11.7 million for the same period in 2007. Contract income margin percentage increased to 10.8% in 2008 as compared to 7.6% in 2007. Stuart Olson's operational strength is allowing it to grow margins through solid project execution.

Earnings before tax from the buildings segment were \$12.1 million in Q3 2008, compared to \$7.2 million in Q3 2007. This 68% improvement in earnings was a result of the increase in overall contract volume and strong project execution.

For the nine months ended September 30, 2008, Stuart Olson reported revenues of \$434.7 million compared to revenues of \$382.1 million last year. This \$52.6 million growth in revenue on a year-over-year basis was generated by increased activity in all regions.

Contract income margin for the first nine months of 2008 was \$41.7 million compared to \$26.1 million in 2007. Contract income margin percentage was 9.6% compared to 6.8%, respectively. Earnings before tax increased to \$27.0 million compared to \$14.5 million. A strong market combined with solid project execution has allowed Stuart Olson to be more profitable.

Stuart Olson had work-in-hand of \$480.8 million and a backlog of \$1.1 billion as at June 30, 2008. In the three months ended September 30, 2008, the company added a further \$141.2 million of contracts to its work-in-hand, and executed \$158.4 million of contract revenue. The company completed the quarter with \$463.6 million of work-in-hand, of which \$299.3 million is expected to carryover into 2009. The company continues to focus its efforts on securing larger projects which will allow it to maintain and grow current volumes through 2009 and 2010. At September 30, 2008, Stuart Olson's backlog amounted to \$1.3 billion, a 27% increase compared to \$1.0 billion at the end of Q3 2007.

Industrial General Contracting

Triton's contract revenue for the quarter ended September 30, 2008, was \$13.0 million; an increase of 43% from the \$9.1 million generated in the comparable quarter of 2007. Revenues from all divisions were higher during the third quarter of 2008, but most significantly in the construction division.

Contract income margin decreased to a loss of \$0.3 million in Q3 2008 from a positive margin of \$1.0 million in Q3 2007. Triton realized lower contract income margins in its construction and maintenance divisions as a result of unexpectedly poor soil conditions in the field and project management challenges. As a result, Triton recorded a loss before tax of \$1.4 million in the third quarter of 2008, as compared to a loss before tax of \$0.5 million in Q3 2007.

For the nine months ended September 30, 2008, Triton reported revenues of \$66.9 million compared to revenues of \$29.0 million last year. While all three divisions have been busier than in 2007, the majority of this revenue differential can be attributed to a significant year-over-year increase in activity levels within the construction and maintenance divisions.

Contract income for the first nine months of 2008 was \$4.5 million compared to \$3.9 million in 2007. Contract income margin percentage in 2008 was 6.7% compared to 13.4%, in 2007. Triton's year-to-date earnings before tax was \$0.6 million, compared to a loss before tax of \$0.6 million in 2007.

Triton had work-in-hand of \$25.1 million and a backlog of \$29.4 million at June 30, 2008. For the quarter ended September 30, 2008, the company secured a further \$17.8 million of contracts, and executed \$13.0 million of contractual work. Triton was awarded contracts from Berry Y&V, MEG Energy, Statoil and TCPL among others during the quarter. The company ended the quarter with \$29.9 million of work-in-hand, of which it expects to execute \$12.0 million during the balance of 2008 and carry forward \$17.9 million into 2009. At September 30, 2008, the company's backlog was \$37.3 million versus a Q3 2007 backlog of \$37.1 million.

Industrial Insulation Contracting

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

Revenue for the three months ended September 30, 2008, increased to \$19.4 million, compared to \$15.6 million for the comparable period in 2007. The increase in revenue was a result of greater activity in Fuller Austin Saskatchewan and Northern Industrial divisions.

Contract income margin increased to \$4.5 million in Q3 2008 from \$3.2 million for the comparable period of 2007. The increase in margin was a result of continued strong project execution and the greater volume of work executed. The contract income margin percentage was 23.0% in this quarter as compared to 20.5% in the prior year.

The company's earnings before tax increased 53% to \$2.9 million during the period, compared to earnings before tax of \$1.9 million in the third quarter of 2007.

For the nine months ended September 30, 2008, Insulation Holdings reported revenues of \$53.0 million compared to revenues of \$38.4 million last year. The majority of the \$14.6 million revenue differential is associated with work completed in the Saskatchewan market.

Contract income for the first nine months of 2008 was \$10.5 million compared to \$7.4 million in the comparable period of 2007. Contract income margin percentage was 19.8% compared to 19.3%, respectively. This sustained high level of contract income margin percentage was due to solid project execution. Earnings before tax year to date increased to \$6.4 million from \$3.8 million in 2007.

Insulation Holdings had work-in-hand of \$39.9 million and backlog of \$51.8 million at June 30, 2008. During Q3 2008, they secured a further \$47.1 million of contracts and executed \$19.4 million of contracts. New contracts were secured from clients such as Jacobs, Ledcor, Shell and Suncor. The insulation segment ended the quarter with \$67.6 million of work-in-hand, of which \$45.9 million is expected to be completed in 2009. At September 30, 2008, the company had a backlog of \$77.4 million, as compared to \$40.5 million in the prior year.

Industrial Electrical Contracting

For the three months ended September 30, 2008, Laird's contract revenue was \$38.1 million compared to the \$26.2 million reported in Q3 2007. In Q3 2008 Laird attained a new record for quarterly revenue, as a

result of significant manpower employed on several major oil sands projects and its increased presence in the Edmonton industrial market.

Contract income increased from \$1.9 million in 2007 to \$6.5 million in Q3 2008, due to increased volume and improved project execution. The contract income margin percentage of 17.1% generated during the third quarter of 2008 was significantly higher than the 7.3% margin achieved in Q3 2007. This was a result of the revenue mix from contracts under construction, strong project execution and ongoing systems and process improvements.

Laird achieved record quarterly earnings before tax of \$4.2 million for the period, compared to earnings before tax of \$0.5 million in Q3 2007. The increase in earnings was a result of the higher contract income margin in Q3 2008 as compared to the prior year.

For the nine months ended September 30, 2008, Laird reported revenues of \$87.8 million compared to revenues of \$95.0 million last year, a decrease of \$7.2 million. In the first nine months of 2007, Laird undertook a significant amount of construction related activities for a major oil sands client, which contributed to the greater prior year volume.

Contract income for the first nine months of 2008 was \$13.7 million compared to \$9.3 million in 2007. This increase in contract income, notwithstanding the year-over-year revenue decrease of \$7.2 million, was due to improved contract terms, improved project execution and systems and process improvements. Contract income margin percentage was 15.6% for the first nine months of 2008 as compared to 9.8% for the corresponding period in 2007. Earnings before tax year to date increased to \$7.5 million compared to \$4.8 million in 2007. The \$2.7 million increase in earnings before tax is attributable to the increase in contract income margin percentage.

Laird reported work-in-hand and backlog amounting to \$39.7 million at June 30, 2008. New contract awards of \$23.2 million were secured in the third quarter and \$38.1 million of contracts were executed. Projects were secured from clients including Albion, Nexen, TransAlta and Suncor. Laird ended the third quarter with \$24.8 million of work-in-hand of which \$12.9 million is expected to carryover into 2009. At September 30, 2008 Laird had a backlog of \$29.8 million compared to its backlog of \$44.4 million at the end of Q3 2007.

Corporate and Other

In the third quarter of 2008, the Corporate and Other segment incurred a loss before tax of \$1.8 million compared to a loss before tax of \$0.8 million in 2007. For the nine months ended September 30, 2008, the Corporate and Other segment generated a loss before tax of \$5.0 million compared to a loss before tax of \$3.3 million for the same period in 2007. Corporate expenses were higher due to recognition of stock based compensation expenses, consulting fees and a larger work force.

CASH FLOW, FINANCING, CAPITAL REQUIREMENTS, LIQUIDITY

Cash and cash equivalents at September 30, 2008, totaled \$78.4 million, which compares with \$108.1 million at the end of 2007. Of the \$78.4 million of cash and cash equivalents, \$12.9 million was subject to

deemed trust conditions under the British Columbia Lien Act, compared to \$25.3 million at December 31, 2007. As such, this cash is restricted to the payment of direct costs related to specific construction projects.

Operating activities provided \$4.8 million of cash during the quarter as compared to providing \$13.7 million of cash during the third quarter of 2007. Changes in non-cash working capital accounts, particularly a reduction in contract advances and costs in excess of billings account for the majority of the difference between the periods.

Investing activities resulted in the use of \$1.8 million of cash during the third quarter of 2008, which compares with cash used of \$1.0 million in Q3 2007. The investments were made in construction equipment to support operations.

During the third quarter of 2008 net cash used in financing activities amounted to \$0.4 million, compared to cash used in financing activities of \$15.5 million in the third quarter of 2007. The Corporation repaid \$0.5 million of long-term debt during Q3 2008, and received proceeds of \$51 thousand from the exercise of stock options.

Cash used in operations of \$23.4 million in the first nine months of 2008 was in contrast to cash generated from operations of \$30.4 million in the same period last year. This change can be attributed to additional income taxes paid and greater working capital investment to support revenue growth on a year-over-year basis.

For the nine months ended September 30, 2008, investing activities resulted in a use of cash of \$5.0 million compared to \$3.2 million of cash used in the prior year. The Corporation has primarily used this cash to acquire construction equipment in both periods.

For the nine months ended September 30, 2008, cash used in financing activities amounted to \$1.3 million compared to \$13.1 million during 2007. Proceeds and repayments applied to the operating line of credit during the year to date have offset each other compared to a net repayment of \$12.0 million in 2007. Repayment of long-term debt in the first nine months of 2008 was \$1.5 million versus \$1.1 million in 2007. Repayments to the demand term loan in 2007 were \$0.5 million; subsequent to the third quarter of 2007 this demand term loan was converted to a committed debt facility. As at September 30, 2008, the Corporation was in compliance with the repayment terms associated with its contractual obligations. The Corporation has received proceeds of \$0.3 million from the exercise of stock options during the first nine months of 2008, and proceeds of \$0.5 million in the corresponding period of 2007.

As at September 30, 2008, Churchill had working capital of \$69.9 million, which compares favourably to the working capital position of \$47.9 million at the end of 2007.

The Corporation remains a partner in two joint ventures. In each instance the Corporation has provided joint and several guarantees, increasing the maximum potential exposure to the full value of the work remaining under the contract.

Shareholders' equity was \$95.9 million at September 30, 2008, as compared to \$69.7 million at December 31, 2007. Share capital has increased by \$0.4 million during the first nine months of 2008 to recognize

options exercised. Year to date, contributed surplus increased \$0.6 million as a result of the recognition of stock-based compensation. Retained earnings increased from \$47.5 million at December 31, 2007, to \$72.8 million at September 30, 2008, reflecting the year to date addition of \$25.3 million of net earnings.

Share Data

As at September 30, 2008, the Corporation had 17,981,991 common shares issued and outstanding and 423,396 options convertible into common shares upon exercise (September 30, 2007 - 17,822,491 common shares and 300,000 options). During the period from October 1, 2008, to November 5, 2008, no new share options were granted, exercised or cancelled.

The Corporation has an Employee Share Purchase Plan available to all full-time employees. At September 30, 2008, the plan held 779,961 Churchill common shares for employees (Q3 2007 – 1,150,869 common shares). Under the plan, shares are acquired in the open market.

OUTLOOK

While infrastructure spending continues to remain strong in Western Canada and particularly Alberta, building permit activity in our markets is starting to soften and commodity prices have fallen dramatically in response to global credit conditions and forecasted weaker demand. The response by governments to these conditions is unknown, however, government at all levels in Canada are in better fiscal condition than in past recessions. Stuart Olson is successfully growing its backlog as it now has the people available to manage and execute new projects into 2009 and 2010. Stuart Olson remains confident that it can maintain its volume of activity despite a tightening economic climate and competitive market conditions.

Activity levels at Triton are forecast to remain at the levels reported in this quarter for the first half of 2009, as the energy industry experiences some delays in project approvals and monitors the credit and commodity market conditions. This will have some impact on Triton's ability to secure new work and may impact its ability to maintain profitability.

The insulation companies are successfully securing new clients and work due to their past project execution and client relationships. Activity levels are expected to remain high as we head into 2009, supported by a record backlog. We continue to look for smaller acquisition opportunities to complement the personnel and services we provide in this business segment.

Laird continues to make progress on its project management initiatives and positioning itself for long-term growth in the oil sands construction and maintenance market. Laird's maintenance role on a major oil sands site has been extended by the general contractor through the first quarter of 2009, under the existing contract and we are hopeful that a new contract will be executed prior to year-end. Decreased capital spending by Suncor related to its Voyageur Upgrader is not expected to have a material impact on Laird's outlook and in fact could be viewed positively, as projects related to Firebag and Suncor's main site may advance more quickly.

Churchill's year-to-date results have exceeded its full year 2007 profitability by 19% on 13% less contract revenue. This has been accomplished by Churchill's operating companies through their focus and diligence on increasing efficiencies and generating higher margins from existing revenue volumes. We

remain confident that as 2009 unfolds, our operating companies generally will be able to identify and secure the necessary projects to maintain revenues and profitability at desirable levels. This confidence is based on the size, reputation, market position, ability to execute and management strength of these companies.

CONSOLIDATED STATEMENTS OF EARNINGS, COMPREHENSIVE INCOME AND RETAINED EARNINGS

(\$ thousands, except per share amounts)	Three months ended		Nine months ended	
	September 30 (unaudited)		September 30 (unaudited)	
	2008	2007	2008	2007
Contract revenue	\$ 228,937	\$ 203,756	\$ 642,465	\$ 544,597
Contract costs	200,983	185,860	571,440	497,393
Contract income	27,954	17,896	71,025	47,204
Interest income	581	813	2,135	1,742
Sundry income (expense)	71	(3)	289	293
Indirect and administrative expenses	(11,266)	(9,189)	(33,042)	(27,139)
Depreciation and amortization	(1,211)	(903)	(3,450)	(2,413)
Interest expense	(136)	(179)	(443)	(552)
Earnings before income taxes	15,993	8,435	36,514	19,135
Income tax (expense) recovery				
Current income tax	(6,646)	(5,523)	(15,480)	(8,134)
Future income tax	1,831	2,653	4,214	1,917
	(4,815)	(2,870)	(11,266)	(6,217)
Net earnings	11,178	5,565	25,248	12,918
Comprehensive income	-	-	-	-
Net earnings and comprehensive income	11,178	5,565	25,248	12,918
Retained earnings, beginning of period	61,598	33,755	47,528	26,402
Retained earnings, end of period	\$ 72,776	\$ 39,320	\$ 72,776	\$ 39,320
Accumulated comprehensive income, beginning of period	\$ -	\$ -	\$ -	\$ -
Comprehensive income for the period	-	-	-	-
Accumulated comprehensive income, end of period	\$ -	\$ -	\$ -	\$ -
Net earnings per common share				
Basic	\$ 0.62	\$ 0.31	\$ 1.41	\$ 0.73
Diluted	\$ 0.62	\$ 0.31	\$ 1.39	\$ 0.72
Weighted average common shares:				
Basic	17,972,643	17,725,969	17,927,430	17,687,198
Diluted	18,127,052	18,034,466	18,119,649	17,966,548

CONSOLIDATED BALANCE SHEETS

(\$ thousands)

	September 30, 2008 (unaudited)	December 31, 2007
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 78,425	\$ 108,105
Accounts receivable	199,165	123,906
Inventories and prepaid expenses	1,449	859
Future income tax assets	3,829	759
	282,868	233,629
Future income tax assets	2,263	788
Property and equipment	24,659	22,832
Goodwill and intangible assets	7,357	7,420
	\$ 317,147	\$ 264,669
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 174,046	\$ 149,057
Contract advances and unearned income	35,092	24,611
Income taxes payable	1,948	10,148
Current portion of long-term debt	1,917	1,963
	213,003	185,779
Long-term debt	7,445	8,755
Future income tax liabilities	790	457
	221,238	194,991
SHAREHOLDERS' EQUITY		
Share capital	16,812	16,414
Contributed surplus	6,321	5,736
Retained earnings	72,776	47,528
Accumulated other comprehensive income	-	-
	95,909	69,678
	\$ 317,147	\$ 264,669

CONSOLIDATED STATEMENTS OF CASH FLOW

(\$ thousands)	Three months ended		Nine months ended	
	September 30 (unaudited)		September 30 (unaudited)	
	2008	2007	2008	2007
OPERATING ACTIVITIES				
Net earnings	\$ 11,178	\$ 5,565	\$ 25,248	\$ 12,918
Depreciation and amortization	1,211	903	3,450	2,413
Gain on disposal of equipment	(14)	(21)	(34)	(37)
Share-based compensation	326	4	696	41
Future income taxes	(1,831)	(2,653)	(4,214)	(1,917)
	10,870	3,798	25,146	13,418
Net change in accounts receivable, inventories and prepaid expenses	(8,185)	(30,631)	(75,848)	(88,559)
Net change in accounts payable and accrued liabilities	8,795	26,748	24,990	61,049
Net change in contract advances and unearned income and costs in excess of billings	(12,513)	9,343	10,482	43,965
Net change in income taxes payable	5,792	4,469	(8,200)	575
	4,759	13,727	(23,430)	30,448
INVESTING ACTIVITIES				
Proceeds on disposal of equipment	47	27	229	177
Additions to property and equipment	(1,846)	(1,025)	(5,217)	(3,368)
	(1,799)	(998)	(4,988)	(3,191)
FINANCING ACTIVITIES				
Proceeds under operating line of credit	-	-	9,000	5,000
Repayments under operating line of credit	-	(15,500)	(9,000)	(17,000)
Repayment of long-term debt	(495)	(441)	(1,549)	(1,076)
Repayment of demand term loan	-	(65)	-	(455)
Issuance of common shares	51	470	287	470
	(444)	(15,536)	(1,262)	(13,061)
Increase (decrease) in cash	2,516	(2,807)	(29,680)	14,196
Cash, beginning of period	75,909	67,390	108,105	50,387
Cash, end of period	\$ 78,425	\$ 64,583	\$ 78,425	\$ 64,583
SUPPLEMENTAL CASH FLOW INFORMATION				
Cash received (paid) during the year for:				
Interest	\$ 461	\$ 610	\$ 1,716	\$ 1,189
Income taxes	\$ (997)	\$ (1,054)	\$ (23,680)	\$ (7,559)

SELECTED FINANCIAL STATEMENT DISCLOSURE

Three months ended September 30, 2008	Buildings	Industrial General	Industrial Insulation	Industrial Electric	Corporate and Other	Total
Revenues	\$ 158,385	\$ 13,011	\$ 19,415	\$ 38,126	\$ -	\$ 228,937
EBITDA ⁽¹⁾	12,668	(1,314)	2,950	4,438	(1,402)	17,340
Depreciation and amortization	511	96	55	267	282	1,211
Interest expense	13	19	1	15	88	136
Earnings (loss) before tax	\$ 12,144	\$ (1,429)	\$ 2,894	\$ 4,156	\$ (1,772)	\$ 15,993
Income taxes						(4,815)
Net earnings						\$ 11,178
Goodwill and intangible assets	\$ -	\$ -	\$ -	\$ 7,315	\$ 42	\$ 7,357
Total Assets	\$ 219,525	\$ 30,648	\$ 23,821	\$ 34,975	\$ 8,178	\$ 317,147
Capital Expenditures	\$ 913	\$ 89	\$ 200	\$ 432	\$ 281	\$ 1,915

Three months ended September 30, 2007	Buildings	Industrial General	Industrial Insulation	Industrial Electric	Corporate and Other	Total
Revenues	\$ 152,781	\$ 9,154	\$ 15,644	\$ 26,177	\$ -	\$ 203,756
EBITDA ⁽¹⁾	7,622	(333)	1,923	793	(488)	9,517
Depreciation and amortization	359	104	58	245	137	903
Interest expense	16	21	-	10	132	179
Earnings (loss) before tax	\$ 7,247	\$ (458)	\$ 1,865	\$ 538	\$ (757)	\$ 8,435
Income taxes						(2,870)
Net earnings						\$ 5,565
Goodwill and intangible assets	\$ -	\$ -	\$ -	\$ 7,315	\$ 126	\$ 7,441
Total Assets	\$ 188,471	\$ 13,266	\$ 18,047	\$ 35,821	\$ 14,272	\$ 269,877
Capital Expenditures	\$ 529	\$ 80	\$ 73	\$ 376	\$ 338	\$ 1,396

Nine months ended September 30, 2008	Buildings	Industrial General	Industrial Insulation	Industrial Electric	Corporate and Other	Total
Revenues	\$ 434,715	\$ 66,934	\$ 53,019	\$ 87,797	\$ -	\$ 642,465
EBITDA ⁽¹⁾	28,530	996	6,521	8,325	(3,965)	40,407
Depreciation and amortization	1,460	291	163	754	782	3,450
Interest expense	42	58	1	55	287	443
Earnings (loss) before tax	\$ 27,028	\$ 647	\$ 6,357	\$ 7,516	\$ (5,034)	\$ 36,514
Income taxes						(11,266)
Net earnings						\$ 25,248
Goodwill and intangible assets	\$ -	\$ -	\$ -	\$ 7,315	\$ 42	\$ 7,357
Total Assets	\$ 219,525	\$ 30,648	\$ 23,821	\$ 34,975	\$ 8,178	\$ 317,147
Capital Expenditures	\$ 2,573	\$ 251	\$ 262	\$ 1,058	\$ 1,266	\$ 5,410

Nine months ended September 30, 2007	Buildings	Industrial General	Industrial Insulation	Industrial Electric	Corporate and Other	Total
Revenues	\$ 382,112	\$ 29,022	\$ 38,426	\$ 95,037	\$ -	\$ 544,597
EBITDA ⁽¹⁾	15,405	(212)	3,941	5,457	(2,491)	22,100
Depreciation and amortization	878	339	182	635	379	2,413
Interest expense	50	62	1	30	409	552
Earnings (loss) before tax	\$ 14,477	\$ (613)	\$ 3,758	\$ 4,792	\$ (3,279)	\$ 19,135
Income taxes						(6,217)
Net earnings						\$ 12,918
Goodwill and intangible assets	\$ -	\$ -	\$ -	\$ 7,315	\$ 126	\$ 7,441
Total Assets	\$ 188,471	\$ 13,266	\$ 18,047	\$ 35,821	\$ 14,272	\$ 269,877
Capital Expenditures	\$ 2,657	\$ 91	\$ 199	\$ 1,461	\$ 385	\$ 4,793

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

TERMINOLOGY

Throughout this Press Release, and other documents referred to, management refers to certain terms when explaining its financial results that 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”, “backlog”, “working capital”, “EBITDA” and “book value per share” 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 for construction to the Corporation. It includes an estimate of the revenue to be generated from contracts during the shorter of (a) twelve months, or (b) the remaining life of the contract.

Backlog means the total value of work that has not yet been completed that; (a) is assessed by the Corporation as having high certainty of being performed by the Corporation or its subsidiaries by either the existence of a contract or work order specifying job scope, value and timing; or (b) has been awarded to the Corporation or its subsidiaries, as evidenced by an executed binding or non-binding letter of intent or agreement, describing the general job scope, value and timing of such work, and with the finalization of a formal contract respecting such work currently assessed by the Corporation as being reasonably assured.

Working capital is current assets less current liabilities. Our calculation of working capital is provided in the table below:

As at (\$ millions)	September 30, 2008	December 31, 2007
Current assets	\$282.9	\$233.6
Less:		
Current liabilities	213.0	185.7
Working Capital	\$69.9	\$47.9

EBITDA is equal to earnings before interest expense, taxes, depreciation and amortization. This measure as reported by the Corporation may not be comparable to similar measures presented by other reporting issuers.

(\$ millions)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2008	2007	2008	2007
Net Earnings	\$11.2	\$5.6	\$25.2	\$12.9
Add:				
Income Taxes	4.8	2.9	11.3	6.2
Depreciation & Amortization	1.2	0.9	3.5	2.4
Interest expense	0.1	0.2	0.4	0.6
EBITDA	\$17.3	\$9.6	\$40.4	\$22.1

Book value per share is the value of shareholders' equity less value of preferred stock divided by basic shares outstanding at the end of the period.

FORWARD LOOKING STATEMENTS

Certain statements in this Third Quarter Press Release may constitute "forward-looking statements". Forward-looking statements include, without limitation, statements regarding the future financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, taxes, plans and objectives of the Corporation. Many of these statements can be identified by looking for words such as "believes," "expects," "may," "will," "intends," "anticipates," "estimates," "continues," or the negative thereof, or other variations thereon. Although management of Churchill believes its expectations regarding future performance of the Corporation are based on reasonable assumptions and currently available competitive, financial and economic data, market conditions and operating plans, it can give no assurance its expectations will be achieved. The Corporation cautions that, by their nature, forward-looking statements, involve risks, and uncertainties and that its actual actions, and/or results could differ materially from those expressed or implied in such forward-looking statements, and that the aforementioned risks, uncertainties and actions could affect the extent to which a particular projection materializes. The Corporation assumes no obligation to update the forward-looking statements should circumstances or the Corporation's management's estimates or opinions change.

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