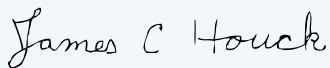


Management's Report

The accompanying financial statements and all information in this Annual Report are the responsibility of management. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include certain estimates that reflect management's best judgment. Financial information contained throughout this Annual Report is consistent with the financial statements.

Management maintains appropriate systems of internal control. Policies and procedures are designed to give reasonable assurance that transactions are properly authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors has approved the information contained in the consolidated financial statements. The Board fulfills its responsibility in this regard mainly through its Audit Committee which has thoroughly reviewed the financial statements, including the notes thereto, with management and the external auditors.



James C. Houck

President and Chief Executive Officer

March 5, 2010



Daryl E. Sands, CA

Executive Vice President Finance & Chief Financial Officer

Auditors' Report

TO THE SHAREHOLDERS OF THE CHURCHILL CORPORATION

We have audited the consolidated balance sheets of The Churchill Corporation (the "Corporation") as at December 31, 2009 and December 31, 2008 and the consolidated statements of earnings, comprehensive income, retained earnings and cash flow for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2009 and December 31, 2008 and the results of its operations and its cash flow for the years then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Edmonton, Alberta

March 5, 2010

Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings

(\$ thousands, except share and per share amounts)	Year ended December 31,	
	2009	2008
Contract revenue	\$ 601,241	\$ 760,953
Contract costs	509,290	667,074
Contract income	91,951	93,879
Interest income	643	2,602
Sundry income	464	297
Indirect and administrative expenses	(41,736)	(40,592)
Depreciation and amortization	(4,435)	(4,089)
Interest expense	(240)	(491)
Earnings from continuing operations before income taxes	46,647	51,606
Income tax (expense) recovery		
Current income tax	(22,758)	(14,095)
Future income tax	9,590	(1,920)
	(13,168)	(16,015)
Net earnings from continuing operations and comprehensive income	33,479	35,591
Net earnings from discontinued operations (Note 4)	1,338	852
Net earnings and comprehensive income	34,817	36,443
Retained earnings, beginning of period	83,132	47,528
Adjustment arising from shares purchased under a normal course issuer bid (Note 13)	(1,670)	(839)
Retained earnings, end of period	\$ 116,279	\$ 83,132
Net earnings per common share:		
Basic from continuing operations	\$ 1.90	\$ 1.98
Basic from discontinued operations	\$ 0.08	\$ 0.05
Basic net earnings per share	\$ 1.98	\$ 2.03
Diluted from continuing operations	\$ 1.87	\$ 1.96
Diluted from discontinued operations	\$ 0.07	\$ 0.05
Diluted net earnings per share	\$ 1.94	\$ 2.01
Weighted average common shares:		
Basic	17,620,454	17,928,037
Diluted	17,935,551	18,109,979

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

Consolidated Balance Sheets

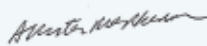
(\$ thousands)	December 31, 2009	December 31, 2008
ASSETS		
Current Assets		
Cash and cash equivalents (Note 6)	\$ 184,402	\$ 100,768
Accounts receivable (Note 8)	116,592	119,248
Inventories and prepaid expenses	949	1,285
Costs in excess of billings	19,013	17,692
Income taxes recoverable	56	3,615
Future income tax assets (Note 12)	7,813	1,390
Current portion of long-term receivable (Note 4)	1,500	-
Assets held-for-sale (Note 4)	-	24,528
	330,325	268,526
Restricted cash (Note 7)	2,642	-
Long-term receivable (Note 4)	1,500	-
Future income tax assets (Note 12)	399	568
Property and equipment (Note 9)	17,063	16,547
Assets held-for-sale (Note 4)	4,778	9,844
Goodwill and intangible assets (Note 10)	10,710	7,336
	\$ 367,417	\$ 302,821
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 138,976	\$ 134,194
Contract advances and unearned income	71,897	41,088
Income taxes payable	11,528	2,462
Future income tax liabilities (Note 12)	-	3,177
Current portion of long-term debt (Note 11)	559	1,082
Liabilities related to assets held-for-sale (Note 4)	-	8,220
	222,960	190,223
Long-term deferred warranty claims (Note 7)	2,642	-
Long-term debt (Note 11)	229	6,787
Liabilities related to assets held for sale (Note 4)	-	34
Future income tax liabilities (Note 12)	79	204
	225,910	197,248
SHAREHOLDERS' EQUITY		
Share capital (Note 13)	16,732	16,663
Shares repurchased under a normal course issuer bid, not cancelled (Note 13)	-	(956)
Contributed surplus (Note 14)	8,496	6,734
Retained earnings	116,279	83,132
	141,507	105,573
Commitments and contingencies, and guarantees (Notes 18 and 19)		
	\$ 367,417	\$ 302,821

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

On behalf of the Board of Directors:



Albrecht W.A. Bellstedt, QC
Chairperson



Allister J. McPherson
Director

Consolidated Statements of Cash Flow

(\$ thousands)	Year ended December 31,	
	2009	2008
OPERATING ACTIVITIES		
Net earnings from continuing operations and comprehensive income	\$ 33,479	\$ 35,591
Depreciation and amortization	4,435	4,089
Gain on disposal of equipment	(11)	(34)
Stock-based compensation (Note 13)	1,929	1,109
Future income taxes	(9,590)	1,920
	30,242	42,675
Change in non-cash balances relating to operations (Note 21)	48,222	(35,546)
	78,464	7,129
INVESTING ACTIVITIES		
Proceeds on disposal of equipment	259	117
Additions to intangible assets	(3,395)	-
Additions to property and equipment	(5,131)	(7,246)
	(8,267)	(7,129)
FINANCING ACTIVITIES		
Proceeds under operating line of credit	-	9,000
Repayments under operating line of credit	-	(9,000)
Repayment of long-term debt	(7,129)	(1,722)
Share purchase under a normal course issuer bid (Note 13)	(970)	(1,944)
Issuance of common shares	158	287
	(7,941)	(3,379)
Cash provided by (used in) continuing operations	62,256	(3,379)
Cash provided by (used in) discontinued operations (Note 4)	21,378	(3,958)
Increase (decrease) in cash and cash equivalents during the year	\$ 83,634	\$ (7,337)
Cash and cash equivalents, beginning of year	100,768	108,105
Cash and cash equivalents, end of year	\$ 184,402	\$ 100,768
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash received (paid) during the year for:		
Interest	\$ 384	\$ 1,773
Income taxes	\$ (10,023)	\$ (25,432)

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

Notes to the Consolidated Financial Statements

The Churchill Corporation (the “Corporation”) was incorporated in Canada under the Business Corporations Act (Alberta) and commenced operations on July 30, 1985. The Corporation provides building construction, industrial insulation contracting, industrial electrical and instrumentation contracting and related services within Canada. The Corporation’s common stock is traded on the Toronto Stock Exchange under the symbol “CUQ”.

1. Summary of Significant Accounting Policies

These consolidated financial statements are presented in Canadian dollars rounded to the nearest thousand (\$000), except where otherwise indicated, and have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) and reflect the following principles:

(i) Principles of Consolidation

The consolidated financial statements include the accounts of The Churchill Corporation and all subsidiary companies. All subsidiary companies are wholly owned and intercompany balances have been eliminated on consolidation. The Corporation proportionately consolidates its interests in joint ventures.

(ii) Measurement Uncertainty

Consolidated financial statements prepared in accordance with GAAP require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from these estimates. Uncertainty is inherent in estimating the cost of completing construction projects, the estimated useful life of property and equipment and corresponding depreciation rates, the useful life of intangible assets and corresponding amortization rates, allowances for doubtful accounts receivable, future income taxes, provision for legal contingencies, valuation of stock options and the fair value of goodwill and other financial instruments. The impact on the consolidated financial statements of future changes in such estimates could be material.

(iii) Contract Revenue and Contract Costs

Revenue for cost-plus contracts is recorded as the service is performed and the related expenses are incurred. Under this method, the costs incurred and the related revenue are included in the consolidated statement of earnings as the work progresses. Contract revenue from fixed-price and unit-price contracts is recognized on the percentage-of-completion basis measured by the ratio of either the actual cost of work or the actual hours performed to date, to the estimated total cost or estimated total hours.

Contract costs include all direct material, labour and equipment costs and indirect costs related to contract performance such as indirect labour, supplies, and tool costs. Changes in job performance, job conditions and estimated profitability, including those arising from final contract settlements, may result in revisions to costs and revenue and are recognized in the period in which such adjustments are determined.

On all contracts where current estimates indicate an ultimate loss, the full amount of the projected loss is recognized immediately. Construction claims are included in revenue when realization is probable and can be reliably estimated.

(iv) Cash and Cash Equivalents

Cash and cash equivalents are comprised of bank balances and short-term investments with original terms to maturity of three months or less.

(v) Inventories

Inventories are recorded at the lower of cost and net realizable value.

(vi) Property and Equipment

Property and equipment are recorded at original cost and depreciated using either the declining balance or the straight-line methods over their estimated useful lives or at the rates as described below. Depreciation is not taken on assets under construction until the asset is placed into use.

Asset	Basis	Rate
Land improvements	Straight-line	30 years
Buildings and improvements	Straight-line	20 – 40 years
Leasehold improvements	Straight-line	Lesser of estimated useful life or lease term
Construction and automotive equipment	Straight-line or declining balance	3 – 5 years, 15% – 30%
Office furniture and equipment	Straight-line or declining balance	1 – 10 years, 30%
Computer hardware	Straight-line	3 years
Computer software	Straight-line	12 months

(vii) Accounting for Impairment of Long-Lived Assets

The Corporation tests for the impairment of long-lived assets held for use through a two-step process, with the first step determining when an impairment is recognized and the second step measuring the amount of the impairment. An impairment loss is recognized when the carrying amount of a long-lived asset exceeds the fair value. The amount of the impairment is measured as the excess of the carrying amount of the long-lived asset over the fair value.

(viii) Goodwill and Intangible Assets

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the identifiable assets acquired, less liabilities assumed, based on their fair values. Goodwill is allocated as of the date of the business combination. Goodwill is not amortized and is tested for impairment annually in the fourth quarter, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test is carried out in two steps. In the first step, the carrying amount of the reporting unit is compared with its fair value. When the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not to be impaired and the second step of the impairment test is unnecessary. The second step is carried out when the carrying amount of a reporting unit exceeds its fair value, in which case the implied fair value of the reporting unit's goodwill is compared with its carrying amount to measure the amount of the impairment loss, if any. When the carrying amount of goodwill exceeds the implied fair value, an impairment loss is recognized in an amount equal to the excess.

Intangible assets consist of Enterprise Resource Planning ("ERP") assets that are expected to be ready for use in late 2010. These will be amortized on a straight-line basis over the estimated useful life.

(ix) Income Taxes

The Corporation uses the asset and liability method of accounting for future income taxes. Under this method, future income tax assets and future income tax liabilities are recorded based on temporary differences between the carrying amount of balance sheet items and their corresponding tax bases. In addition, the future benefits of income tax assets, including unused tax losses, are recognized, subject to a valuation allowance, to the extent it is more likely than not such future benefits will ultimately be realized. Future income tax assets and liabilities are measured using substantively enacted tax rates and laws expected to apply when the tax liabilities or assets are to be either settled or realized.

(x) Share-Based Compensation Plan

The Corporation utilizes a fair value based method of accounting for stock options. Under this method, the estimated fair value of the stock options granted is recognized over the applicable vesting period as a charge to stock compensation expense and a credit to contributed surplus. When these options are exercised, the proceeds received and the related amounts of contributed surplus are credited to share capital.

(xi) Earnings Per Share

Basic earnings per share are computed by dividing net earnings by the weighted average number of common shares outstanding during each reporting period. Shares issued during the year and shares reacquired during the year are weighted for the portion of the year that they were outstanding. Diluted earnings per share are computed similar to basic earnings per share except that the weighted average number of shares outstanding is increased to include additional shares from the assumed exercise of stock options, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options were exercised and that the proceeds obtained from such exercise was used to acquire common shares at the average market price during the reporting period.

(xii) Employee Future Benefits

The Corporation and its subsidiaries have a Registered Retirement Savings Plan and an Employee Share Purchase Plan. The Corporation contributes to the plans based on the amount of employee contributions. The Corporation accounts for contributions as an expense in the year that they are made. The Corporation does not provide post employment or post-retirement benefits.

(xiii) Financial Instruments

Financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition. Transaction costs are recognized immediately in income or are capitalized, depending upon the nature of the transaction and the associated product.

Held-for-trading

Financial assets and financial liabilities that are purchased and incurred with the intention of generating profits in the near term are classified as held-for-trading. These instruments are accounted for at fair value with the change in the fair value recognized in investment income.

Available-for-sale

Financial assets classified as available-for-sale are carried at fair value with the changes in fair value recorded in other comprehensive income. The fair value of a financial instrument on initial recognition is normally the transaction price. Subsequent to initial recognition, fair values for financial assets are determined by bid prices quoted in active markets. Securities that are classified as available-for-sale and do not have a readily available market value are recorded at cost. Available-for-sale securities are written down to fair value through income whenever it is necessary to reflect other-than-temporary impairment. Gains and losses realized on disposal of available-for-sale securities, which are calculated on an average cost basis, are recognized in other income.

Held-to-maturity

Securities that have a fixed maturity date, where the Corporation intends and has the ability to hold to maturity, are classified as held-to-maturity and accounted for at amortized cost using the effective interest rate method.

Loans, receivables and other liabilities

Loans, receivables and other liabilities are accounted for at amortized cost using the effective interest rate method.

The Corporation has the following financial assets and liabilities:

	Classification	Measurement
Financial assets		
Cash and cash equivalents	Available for sale	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Restricted cash	Available for sale	Fair value
Long-term receivable	Loans and receivables	Amortized cost
Financial liabilities		
Revolving line of credit	Other liabilities	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Long-term deferred warranty claims	Other liabilities	Amortized cost
Long-term debt	Other liabilities	Amortized cost

(xiv) Accumulated Other Comprehensive Income and Retained Earnings

The Corporation applies the standards for reporting and displaying other comprehensive income, defined as revenue, expenses, and gains and losses which, in accordance with primary sources of GAAP, are recognized in comprehensive income but excluded from net earnings. The application of these standards did not have any impact on the Corporation's financial statement presentation during the years ended December 31, 2009 or 2008 as the Corporation has no other comprehensive income components.

The Corporation has also applied the standards for the presentation of equity and changes in equity during the reporting period. The requirements in this section are in addition to those of comprehensive income and recommend that an enterprise present separately the following components of equity: retained earnings, accumulated other comprehensive income, the total of retained earnings and accumulated other comprehensive income, contributed surplus, share capital, and reserves. The Corporation has elected to present a combined Consolidated Statement of Earnings, Comprehensive Income and Retained Earnings.

2. Accounting Policy Adoption and Changes

(i) Goodwill and Intangible Assets

Effective January 1, 2009, the Corporation adopted Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3064, *Goodwill and Intangible Assets*, replacing Section 3062, *Goodwill and Other Intangible Assets*. This new Section established standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The provisions of this Section, relating to the definition and initial recognition of intangible assets, are equivalent to the corresponding provisions under International Financial Reporting Standards ("IFRS"). CICA Handbook Section 1000, *Financial Statement Concepts*, was also amended to provide consistency with this new Section. The adoption of this standard has resulted in reallocating additions in the year of \$3,395 related to the new ERP system from property and equipment to intangible assets.

(ii) Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

Effective January 1, 2009, the Corporation adopted Emerging Issues Committee's ("EIC") Abstract 173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*. This standard clarifies that an entity's own credit risk and the credit risk of its counterparties should be taken into account in determining the fair value of financial assets and liabilities, including derivatives. The adoption of this standard did not have a material impact on the Corporation's consolidated financial statements or on the fair value determination of its financial assets and liabilities.

(iii) Disposal of Long-Lived Assets and Discontinued Operations

In accordance with CICA Handbook Section 3475, long-lived assets are classified as held for sale once certain criteria are met. Such criteria include a firm commitment by management and the board of directors to dispose of a business or group of selected assets and the expectation that such disposal will be completed within a twelve month period. Assets held for sale are measured at the lower of their carrying amounts or fair values less costs to sell, and are no longer depreciated.

Operating results of a corporation's components disposed of by sale or being classified as held-for-sale are reported as discontinued operations if the operations and cash flows of those components have been, or will be, eliminated from the Corporation's current operations pursuant to the disposal and if the Corporation does not have significant continuing involvement in the operations of the component after the disposal transaction. A component of an enterprise includes operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Corporation's operations and cash flows. All information contained in the consolidated financial statements and accompanying notes is presented on a continuing operations basis unless otherwise noted.

3. Recent Accounting Pronouncements

(i) Business Combinations

CICA Handbook Section 1582, *Business Combinations* replaces Section 1581, *Business Combinations* and establishes new standards for the accounting of a business combination. This Section constitutes the Canadian GAAP equivalent to the corresponding provision under IFRS. This Section shall be applied prospectively to business combinations for which the acquisition date is on or after the commencing of the first annual reporting period beginning on or after January 1, 2011 and the Corporation will adopt this new Section as of such date upon its conversion to IFRS. The Corporation is currently evaluating the impact of the adoption of this new Section on the consolidated financial statements and on future business combinations.

(ii) Consolidated Financial Statements

CICA Handbook Section 1601, *Consolidated Financial Statements* and Section 1602, *Non-Controlling Interests* replace Section 1600, *Consolidated Financial Statements*. Section 1601 establishes standards for the preparation of consolidated financial statements while Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the consolidated financial statements subsequent to a business combination. These Sections constitute the Canadian GAAP equivalent to the corresponding provision under IFRS. These Sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011 and the Corporation will adopt these new Sections as of such date upon its conversion to IFRS. The Corporation is currently evaluating the impact of the adoption of these new Sections on the consolidated financial statements.

4. Assets Held-for-Sale and Discontinued Operations

On August 12, 2009, the Corporation entered into a share purchase agreement with an undisclosed company (the "Purchaser"), pursuant to which the Corporation sold 100% of its interests in Triton Industrial Group ("TIG" previously known as Churchill Industrial Group) which held certain assets of the Corporate and Other segment, and a wholly owned Triton subsidiary (Triton Construction Inc. Subsidiary "TCIS") which held the majority of the assets and liabilities of the Industrial General Contracting (Triton) segment. Included as part of the share purchase agreement was the working capital, active construction projects and certain real property held by TIG and TCIS. The Corporation has classified the remaining assets of Triton as held-for-sale in the balance sheets of the Corporation. Assets held-for-sale include certain industrial and agricultural lands, and buildings and equipment.

The Corporation received cash proceeds of \$18,487, including \$3,000 in escrow, for the outstanding common shares of TIG and TCIS for an after-tax gain of \$4,965 net of transaction costs. As part of the agreement, two escrow accounts were established in response to certain terms and conditions of the share purchase agreement.

An escrow account of \$3,000 has been recognized as part of the gain on sale and allocated equally between current and long-term receivable. These funds are held in escrow as security for the indemnification provided to the Purchaser by the Corporation as part of the share sale. This escrow account is receivable in two equal installments, net of any claims, on August 11, 2010 and 2011. The funds are presently invested in guaranteed investment certificates bearing interest at 0.9%.

A second escrow account of \$6,000 was established as part of a purchase price adjustment pending the finalization of the closing net assets of TIG and TCIS.

The results of operations attributable to these assets and liabilities have been retrospectively reported as discontinued operations for the years ended December 31, 2009 and 2008. Previously, these amounts were included in continuing operations in the Corporate and Other, and the Industrial General Contracting (Triton) segments. Commencing on the date of disposition, the operations and cash flows of this segment have been eliminated from the ongoing operations of the Corporation.

The following table presents summary balance sheets, statements of earnings and statements of cash flows of the discontinued operations included in the consolidated financial statements:

Balance Sheets

	December 31, 2009	December 31, 2008
Accounts receivable	\$ -	\$ 20,259
Inventories and prepaid expenses	-	208
Costs in excess of billings	-	3,546
Income taxes recoverable	-	55
Future income taxes assets	-	460
	-	24,528
Property and equipment	2,691	9,507
Future income tax assets	2,087	337
	4,778	9,844
Accounts payable and accrued liabilities	-	6,612
Contract advances and unearned income	-	437
Future income tax liabilities	-	2
Current portion of long-term debt	-	1,169
	-	8,220
Long-term debt	-	-
Future income tax liabilities	-	34
Net assets held for sale	\$ 4,778	\$ 26,118

Statements of Earnings

	December 31, 2009	December 31, 2008
Revenue	\$ 27,954	\$ 85,864
Contract income	1,308	6,273
Gain on sale of discontinued operations	4,965	-
Net earnings (loss) from discontinued operations ⁽¹⁾	(3,627)	852
Total net earnings ⁽²⁾	\$ 1,338	\$ 852

(1) Net loss from discontinued operations for the year ended December 31, 2009 includes income tax recovery of \$1,517 (2008 – \$187).

Statements of Cash Flows

	December 31, 2009	December 31, 2008
Operating activities	\$ 6,897	\$ (3,247)
Financing activities	1,235	(272)
Investing activities	13,246	(439)
Cash provided by (used in) discontinued operations ⁽²⁾	\$ 21,378	\$ (3,958)

(2) Includes Triton's operations for the period from January 1 to August 12, 2009.

5. Joint Ventures

The Corporation and its subsidiaries are partners in incorporated and unincorporated joint ventures. These consolidated financial statements include the proportionate share of assets, liabilities, revenue, expenses, net income and cash flow of these joint ventures as follows:

	2009	2008
Current and total assets	\$ 18,363	\$ 533
Current and total liabilities	17,836	1,164
Contract revenue	10,609	400
Contract costs and expenses	9,189	309
Net earnings	1,419	91
Cash flow provided by operating activities	15,154	740

6. Cash and Cash Equivalents

Included in the cash and cash equivalents balance is \$16,961 (2008 – \$17,466) held as security for the payment of direct costs related to specific construction projects and cash balances of \$15,502 (2008 – \$309) held in joint venture accounts. Cash and cash equivalents are comprised of:

	2009	2008
Cash	\$ 153,317	\$ 80,733
Short-term investments	31,085	20,035
	\$ 184,402	\$ 100,768

7. Restricted Cash

Restricted cash relates to the Building segment's Subguard Program representing an agreement with Zurich Insurance Company ("Zurich") that establishes a pre-funded deductible/co-pay insurance program. The funds provided to Zurich as at December 31, 2009 amounted to \$2,642 (2008 – nil) and are presented as Restricted Cash on the consolidated balance sheets with a corresponding offset to Long-Term Deferred Warranty Claims.

8. Accounts Receivable

Accounts receivable are comprised of:

	2009	2008
Trade receivables	\$ 53,440	\$ 56,970
Construction holdbacks, due within one year	57,270	61,572
Other receivables	5,882	706
	\$ 116,592	\$ 119,248

9. Property and Equipment

December 31, 2009	Cost	Accumulated Depreciation	Net Book Value
Land	\$ 685	\$ -	\$ 685
Land improvements	24	24	-
Buildings and improvements	1,921	1,475	446
Leasehold improvements	5,655	1,249	4,406
Construction and automotive equipment	16,123	7,228	8,895
Office furniture and equipment	1,737	837	900
Computer hardware and software	5,734	4,416	1,318
Assets under construction	413	-	413
	\$ 32,292	\$ 15,229	\$ 17,063

December 31, 2008	Cost	Accumulated Depreciation	Net Book Value
Land	\$ 685	\$ -	\$ 685
Land improvements	24	24	-
Buildings and improvements	2,630	1,726	904
Leasehold improvements	2,674	938	1,736
Construction and automotive equipment	19,047	10,381	8,666
Office furniture and equipment	2,873	1,802	1,071
Computer hardware and software	7,341	5,386	1,955
Assets under construction	1,530	-	1,530
	\$ 36,804	\$ 20,257	\$ 16,547

Included in construction and automotive equipment is \$87 (2008 – \$1,656) of assets relating to capital leases and \$32 (2008 – \$1,150) of accumulated depreciation for a net book value of \$55 (2008 – \$506).

10. Goodwill and Intangible Assets

December 31, 2009	Cost	Accumulated Depreciation	Net Book Value
Intangible assets	\$ 252	\$ 252	\$ -
Enterprise resource planning assets	3,395	-	3,395
Goodwill	7,315	-	7,315
	\$ 10,962	\$ 252	\$ 10,710

December 31, 2008	Cost	Accumulated Depreciation	Net Book Value
Intangible assets	\$ 252	\$ 231	\$ 21
Enterprise resource planning assets	-	-	-
Goodwill	7,315	-	7,315
	\$ 7,567	\$ 231	\$ 7,336

The intangible assets relate to the design and implementation of the Corporation's computer systems. Enterprise Resource Planning ("ERP") assets relate to the design and implementation of the Corporation's new ERP software (SAP), which is anticipated to be ready for use in late 2010. Once ready for use the Corporation will begin depreciating the assets.

Goodwill is associated with prior acquisitions and is tested each accounting period for impairment. The Corporation performed an impairment test related to the goodwill at December 31, 2009, and based on this analysis concluded that the fair value of the goodwill exceeded the carrying amount.

11. Long-Term Debt

	2009	2008
Revolving line of credit, interest at prime to prime plus 0.5% depending on certain financial ratios, secured by land and buildings with an aggregate carrying value of \$2,194, as well as various security agreements and unlimited guarantees.	\$ -	\$ 5,265
Finance contracts, secured by construction and automotive equipment with an aggregate carrying value of \$994, interest varying from 0.0% to 5.0%, blended monthly repayments of \$58, maturing between February 2010 and September 2013.	752	1,566
Capital leases, secured by construction and automotive equipment with an aggregate carrying value of \$55, interest of 8.0% and 10.0%, blended monthly repayments of \$3, maturing between September 2010 and 2011.	36	1,038
	788	7,869
Less current portion	(559)	(1,082)
	\$ 229	\$ 6,787

(i) Terms and Security

The Corporation has in place a \$60,000 revolving line of credit that bears interest at rates varying between prime and prime plus 0.5% based on certain financial ratios. The Corporation has provided a first charge over all assets under a General Security Agreement as security for the revolving line of credit. The Corporation has also provided a site specific General Security Agreement as security for the mortgage. These credit facilities require the Corporation to meet certain covenants. The Corporation was in compliance with these covenants at December 31, 2009 and 2008. At year-end \$21.8 million of the Corporation's line of credit was reserved as support for letters of credit for various joint ventures and construction projects.

For the year ended December 31, 2009, \$48 (2008 – \$314) in asset additions were acquired through capital leases and finance contracts and accounted for as non-cash transactions in the Consolidated Statements of Cash Flow.

(ii) Principal Payments are Due as Follows:

	2010	\$ 559
	2011	172
	2012	47
	2013	10
	2014	-
	Thereafter	-
		\$ 788

12. Income Taxes

The Corporation's tax expense differs from the provision computed at statutory rates as follows:

	2009	2008
Earnings from continuing operations before income taxes	\$ 46,647	\$ 51,606
Non-deductible expenses	303	1,502
Income subject to tax	\$ 46,950	\$ 53,108
Income tax at statutory rate of 29.0% (2008 – 29.5%) of taxable income	\$ 13,616	\$ 15,667
Valuation allowance on non-capital loss carryforwards	18	94
Effect of change in tax rates for future income tax and tax recovery	(50)	(125)
Utilization of net capital loss carryforward	(580)	-
Rate difference in other provinces	187	-
Other	(23)	379
Income tax expense	\$ 13,168	\$ 16,015

The components of the future income tax assets and liabilities are as follows:

	2009	2008
Tax loss carryforwards	\$ 286	\$ 261
Equipment and other assets	113	(3)
Valuation allowance on non-capital loss carryforwards	(79)	(94)
Unbilled work-in-progress and holdback receivable	7,813	(1,861)
Other	-	274
	\$ 8,133	\$ (1,423)
Classified as:		
Current asset	\$ 7,813	\$ 1,390
Long-term asset	399	568
Current liability	-	(3,177)
Long-term liability	(79)	(204)
	\$ 8,133	\$ (1,423)

The Corporation has accumulated net capital losses for income tax purposes of \$3,172 (2008 – \$7,172) which may be carried forward indefinitely to reduce future capital gains. The value of these losses has not been recognized in these consolidated financial statements.

The Corporation has accumulated non-capital losses for income tax purposes of \$1,022 related to continuing operations, which expire as follows:

Loss Carryforwards

	2010	\$ -
	2014	99
	2015	238
	2026	84
	2027	294
	2028	147
	2029	160
		\$ 1,022

13. Shareholders' Equity

(i) Share Capital

Authorized

Unlimited Preferred Shares issuable in series with rights set by the directors

Unlimited Common Shares

Issued	2009		2008	
	Shares	Share Capital	Shares	Share Capital
Common shares:				
Issued, beginning of year	17,822,091	\$ 16,663	17,886,991	\$ 16,414
Shares repurchased	(272,600)	(257)	(159,900)	(149)
Stock options exercised	69,768	326	95,000	398
Issued, end of year	17,619,259	\$ 16,732	17,822,091	\$ 16,663

(ii) Share-Based Compensation Plan

Stock options:

The Corporation has an incentive stock option plan for certain employees and directors. Options issued under the plan for employees vest one third each on the anniversary of the award date in each of the subsequent three years. Options granted to Directors vest one year after award date. There were no options awarded to Directors in 2009 as a decision was made by the Board of Directors to implement a Deferred Share Unit ("DSU") plan. All stock options must be exercised over specified periods not to exceed five years from the date granted.

At December 31, 2009, the Corporation had 1,213,243 options outstanding (December 31, 2008 – 519,660) of which 262,074 are currently exercisable (December 31, 2008 – 277,535).

The following table summarizes information about stock options outstanding under the Plan at December 31, 2009:

	Exercise Price	Expiry Date	Options Outstanding Dec. 31, 2009	Options Exercisable Dec. 31, 2009
\$	2.55	Jun. 14, 2010	5,000	5,000
	3.15	Nov. 30, 2010	64,500	64,500
	3.05	Jan. 4, 2011	15,000	15,000
	18.26	Oct. 3, 2012	37,000	37,000
	16.05	Mar. 17, 2013	85,828	85,828
	16.50	Aug. 14, 2013	56,845	18,948
	6.43	Nov. 19, 2013	89,496	35,798
	7.29	Jan. 4, 2014	350,000	-
	8.08	Mar. 24, 2014	99,702	-
	10.83	May 14, 2014	1,716	-
	10.68	Jul. 9, 2014	1,978	-
	13.15	Mar. 24, 2014	395,196	-
	20.04	Nov. 16, 2014	10,982	-
			1,213,243	262,074

For the year, the Corporation recognized stock-based compensation expense of \$1,929 (2008 – \$1,109) related to the estimated fair value of options granted.

The fair value of each common share option granted by the Corporation was estimated using the Black-Scholes option-pricing model at the grant date, with the following weighted average assumptions:

	2009	2008
Risk-free interest rate	1.92%	2.75%
Expected life	4.0 years	3.9 years
Expected volatility	62.12%	50.01%
Expected dividends	-	-

During the year ended December 31, 2009, 859,574 options were granted with a weighted average fair value of \$4.99. The amounts computed, according to the Black-Scholes pricing model, may not be indicative of the actual values realized upon the exercise of these options by the holders.

A summary of the Corporation's outstanding share options under the plan at December 31, 2009 and 2008, indicating changes during the years ended is presented below:

	2009		2008	
	Number of Share Options	Weighted Average Exercise Price	Number of Share Options	Weighted Average Exercise Price
Outstanding, beginning of year	519,660	\$ 11.13	317,500	\$ 7.00
Granted	859,574	4.99	320,798	13.26
Forfeited	(96,223)	5.71	(23,638)	17.08
Exercised	(69,768)	1.55	(95,000)	3.02
Outstanding, end of year	1,213,243	\$ 13.04	519,660	\$ 11.13

Performance share units:

The Corporation has a Performance Share Unit ("PSU") plan. Under the PSU plan, participants are eligible to receive an equivalent cash value of the common shares, at a future date, subject to certain performance vesting conditions. The original cost of the PSU is equal to the fair market value at the date of grant. Compensation expense is recognized in earnings on a straight line basis over a vesting period of three years adjusted for the performance based vesting conditions. Changes in the amount of the liability due to stock price changes after the initial grant date are recognized as compensation expense of the period in which the changes occur.

A summary of the Corporation's outstanding PSUs at December 31, 2009 and 2008, indicating changes during the year is presented below:

	2009	2008
	Number of PSUs	Number of PSUs
Outstanding, beginning of year	85,195	-
Granted	205,849	85,195
Forfeited	(47,310)	-
Vested and paid	-	-
Outstanding, end of year	243,734	85,195

As at December 31, 2009, the PSUs issued during the year had a fair value of \$1,958 (2008 – \$1,269). During the year, the Corporation booked a compensation expense of \$1,009 (2008 – \$77). As at December 31, 2009, none of the PSUs were vested.

Deferred share units:

The Corporation has a Deferred Share Unit (“DSU”) plan which received board approval on November 3, 2009. On November 16, 2009, the Corporation granted a total of 32,934 DSUs to Directors resulting in additional stock-based compensation expense of \$660 (2008 – nil) recorded in the fourth quarter of 2009.

(iii) Normal Course Issuer Bid

On October 9, 2008, the Corporation received regulatory approval under Canadian securities laws to purchase Common Shares under a Normal Course Issuer Bid (“NCIB”). The Corporation was entitled to purchase, for cancellation, up to approximately 1,391,090 Common Shares under the NCIB which commenced on October 15, 2008 and expired on October 14, 2009.

During the year ended December 31, 2009, 127,600 common shares were purchased under the Corporation’s NCIB (2008 – 304,900) for a total of \$970 or \$7.59 per share (2008 – \$1,944 or \$6.38 per share).

Of the shares repurchased, all common shares were cancelled resulting in the average carrying value of \$257 (2008 – \$149) being allocated as a reduction in share capital; and \$1,670 (2008 – \$839) representing the consideration in excess of the assigned value being charged to retained earnings during the period. In addition, 145,000 common shares repurchased in 2008 for a total expenditure of \$956 or \$6.58 were not cancelled prior to December 31, 2008. These were subsequently cancelled in 2009.

(iv) Shareholder Rights Plan

The Corporation has an Amended and Restated Shareholder Rights Plan (the “Plan”) which grants the Right to issue additional shares at a 50% discount to the current market price. Such Rights can only be exercised on the occurrence of a triggering event, which is defined as a person (an “Acquiring Person”) acquiring, or publicly announcing its intention to acquire, 20% or more of the common shares, other than by an acquisition pursuant to a takeover bid permitted by the Plan. The Rights expire on September 30, 2010 unless exchanged or redeemed on an earlier date.

14. Contributed Surplus

For stock options granted to employees and directors the Corporation records compensation expense using the fair value method as outlined in Note 13 (ii). Compensation costs are recognized over the vesting period as stock-based compensation expense and an increase to contributed surplus. When options are exercised, the fair-value amount in contributed surplus is credited to share capital. During the years ended December 31, 2009 and 2008, contributed surplus has changed as follows:

	2009	2008
Balance, beginning of year	\$ 6,734	\$ 5,736
Stock-based compensation expense	1,929	1,109
Stock options exercised	(167)	(111)
Balance, end of year	\$ 8,496	\$ 6,734

15. Management of Capital

The Corporation's objective in managing capital is to ensure sufficient liquidity to pursue its growth and expansion strategy, while taking a conservative approach towards financial leverage and management of financial risk.

The Corporation's capital is composed of shareholders' equity and long-term debt. The Corporation's primary uses of capital are to finance its growth strategies and capital expenditure programs. The Corporation currently funds these requirements from internally-generated cash flows and interest bearing debt.

The Corporation did not pay a dividend in 2009 so that it maintained maximum flexibility to finance growth and expansion and is able to take advantage of acquisition opportunities. The merits of introducing a dividend are evaluated by the Corporation's Board of Directors from time to time.

The Corporation intends to maintain a flexible capital structure consistent with the objectives stated above and to respond to changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Corporation may issue new shares, raise debt (secured or unsecured) or refinance existing debt with different characteristics.

The primary non-GAAP measures used by the Corporation to monitor its financial leverage are its ratios of Debt to Capitalization and Net Debt to Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"). EBITDA is not a measure that has any standardized meaning prescribed by Canadian GAAP and is considered to be a non-GAAP measure. Therefore, this measure may not be comparable to similar measures presented by other companies. This measure has been described and presented in the manner in which the chief operating decision maker assesses performance. These metrics are indicative of the Corporation's overall financial strength.

The Corporation targets a Debt to Capitalization ratio less than 30 percent that is calculated as follows:

	2009	2008
Long-term debt, excluding current portion	\$ 229	\$ 6,787
Total shareholders' equity	141,507	105,573
Total capitalization	\$ 141,736	\$ 112,360
Debt to capitalization ratio	0%	6%

The Corporation targets a Debt to EBITDA ratio less than 0.8 times. At December 31, 2009, the Debt to EBITDA was 0.0x (December 31, 2008 – 0.1x) calculated on a trailing twelve-month basis as follows:

	2009	2008
Long-term debt, excluding current portion	\$ 229	\$ 6,787
Net earnings and comprehensive income	\$ 34,817	\$ 36,443
Add:		
Interest expense	240	491
Income tax expense	13,168	16,015
Depreciation and amortization	4,435	4,089
EBITDA	\$ 52,660	\$ 57,038
Debt to EBITDA	0.0x	0.1x

The Corporation also manages its capital through a rolling forecast of financial position and expected operating results. In addition, the Corporation establishes and reviews operating and capital budgets and cash flow forecasts in order to manage overall capital with respect to financial covenants. The Corporation's credit facility is subject to the following covenants to which it was in full compliance at December 31, 2009.

- Current Service Ratio
- Debt to Tangible Net Worth
- Tangible Net Worth
- Funded Debt to EBITDA

The Corporation's capital management objectives, evaluation measures and definitions have remained unchanged over the periods presented.

16. Earnings Per Share

Basic earnings per share is computed on the basis of the weighted average number of Common Shares outstanding. Fully diluted earnings per share is computed on the basis of the weighted average number of Common Shares outstanding plus the effect of outstanding stock options using the treasury stock method.

17. Financial Instruments

Financial instruments consist of recorded amounts of receivables and other like amounts that will result in future cash receipts, as well as accounts payable, short-term borrowings, and any other amounts that will result in future cash outlays.

The Corporation has determined that the fair value of its financial assets, including cash and cash equivalents, accounts receivable, and financial liabilities, including the accounts payable and accrued liabilities, approximates their respective carrying amounts as at the balance sheet dates because of the short-term maturity of those instruments. The fair values of the Corporation's interest-bearing financial liabilities, including the revolving line of credit, capital leases and financed contracts, also approximates their respective carrying amounts due to the floating rate nature of the debt.

(i) Financial Instruments – Carrying Values

	2009	2008
Financial assets:		
Cash and cash equivalents	\$ 184,402	\$ 100,768
Accounts receivable	116,592	119,248
Restricted cash	2,642	-
Long-term receivable	3,000	-
Financial liabilities:		
Accounts payable and accrued liabilities	\$ 138,976	\$ 134,194
Long-term deferred warranty claims	2,642	-
Long-term debt, including current portion	788	7,869

(ii) Financial Income and Expense

	2009	2008
Interest income – cash and cash equivalents	\$ 643	\$ 2,602
Interest expense – operating line of credit	(26)	(26)
Interest expense – long-term debt	(214)	(465)
Bad debt expense, net	(73)	(569)
	\$ 330	\$ 1,542

(iii) Financial Risk Management

The Corporation has exposure to credit, interest rate and liquidity risks. The Corporation is not exposed to any direct foreign currency risk. The Corporation's Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework and reviews the corporate policies on an ongoing basis.

The Corporation is exposed to credit risk through accounts receivable. This risk is minimized by the number of customers in diverse industries and geographic centers. The Corporation performs an assessment of its customers as part of its work procurement process, including an evaluation of financial capacity.

Allowances are provided for potential losses that have been incurred at the balance sheet date. Accounts receivable are considered for impairment on a case-by-case basis when they are past due or when objective evidence is received that a customer will default. The Corporation takes into consideration the customer's payment history, credit worthiness and the current economic environment in which the customer operates to assess impairment. The Corporation accounts for a specific bad debt provision when management considers that the expected recovery is less than the actual account receivable.

The provision for doubtful accounts has been included in operating expenses in the consolidated statements of earnings, comprehensive income and retained earnings and is net of any recoveries that were provided for in a prior period. Allowance for doubtful accounts as at December 31, 2009 is \$1,117 (2008 – \$2,782).

The Corporation had \$2,534 trade receivables which were greater than 90 days past due as at the end of the year (December 31, 2008 – \$5,210). There are no concentrations of credit risk in geographical area, customer markets or other areas as at December 31, 2009.

The financial risk is the risk to the Corporation's earnings that arises from fluctuations in the interest rates and the degree of volatility of these rates. The Corporation is exposed to interest rate risk on its revolving line of credit with payment terms as disclosed in Note 11. The Corporation does not use derivative instruments to reduce its exposure to this risk. At December 31, 2009, the increase or decrease in annual net earnings for each 1.0% change in interest rates on floating rate debt would be negligible.

The Corporation invests its cash with the objective of maintaining safety of principal and providing adequate liquidity to meet all current payment obligations. The Corporation invests its cash and cash equivalents with counterparties that are of high credit quality as assessed by reputable rating agencies. Given these high credit ratings, the Corporation does not expect any counterparties to these cash equivalents to fail to meet their obligations.

There have not been any changes in the type of risks arising from financial instruments during the period.

18. Commitments and Contingencies

The Corporation leases certain construction equipment, vehicles, office premises and equipment under operating leases, and is committed to future annual payments in respect of a service agreement. Future minimum lease payments over the next five years and thereafter are as follows:

	2010	\$	1,994
	2011		1,664
	2012		1,508
	2013		1,361
	2014		1,360
	Thereafter		1,002
		\$	8,889

At December 31, 2009, the Corporation was involved in various legal claims arising in the normal course of operations. Management believes that it has adequately provided for these legal claims and that the results of these actions will not have any material effect on the financial position of the Corporation.

Subsidiaries of the Corporation are contingently liable for normal contractor obligations relating to performance and completion of construction contracts as well as obligations of associates in certain joint ventures.

19. Guarantees

The Corporation is a participant in joint ventures (Note 5) for which it 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 has issued several parental guarantees in support of significant projects being undertaken by the buildings, industrial insulation and industrial electric segments. The cost of completing the contracts cannot reasonably be determined, and may be greater or less than the unbilled portion of the contracts.

20. Related Party Transactions

The Corporation incurred legal fees of \$610 (2008 – \$130) for services related to various legal matters with a law firm of which a director of the Corporation is also a partner. At December 31, 2009, \$29 (2008 – \$37) is included in accounts payable.

The Corporation incurred facility costs of \$146 (2008 – \$157) related to rental of a building which is owned by a director of the Corporation. At December 31, 2009 (2008 – nil) there are no amounts included in accounts payable.

Related party transaction costs were incurred in the ordinary course of business where normal trade terms apply and are measured at the exchange amount.

21. Change in Non-Cash Balances Relating to Operations

	2009	2008
Accounts receivable	\$ 2,656	\$ (7,497)
Inventories and prepaid expenses	336	(578)
Costs in excess of billings	(1,321)	(969)
Income taxes recoverable	3,559	(3,615)
Accounts payable and accrued liabilities	3,082	(9,856)
Contract advances and unearned income	30,809	(5,400)
Income taxes payable	9,101	(7,631)
	\$ 48,222	\$ (35,546)

Certain balances have been reclassified from continuing operations as cash provided by (used in) discontinued operations in the Consolidated Statements of Cash Flow (Note 4).

22. Segmented Information

The Corporation operates as a construction and maintenance services provider, primarily in western Canada. The Corporation is managed using four business segments: Buildings, Industrial Insulation Contracting, Industrial Electrical Contracting, and Corporate and Other.

Buildings (Stuart Olson) – constructs commercial, institutional, and light-industrial buildings.

Industrial Insulation Contracting (Fuller Austin, Northern Industrial) – provides insulation, maintenance and related services.

Industrial Electrical Contracting (Laird) – provides industrial electrical, instrumentation and power-line construction and maintenance services.

Corporate and Other – includes corporate costs not allocated directly to another business segment as well as any miscellaneous investments.

The accounting policies and practices of the reportable segments are the same as those described in Note 1. The segmented information provided is after the elimination of inter-segment management fees and loan balances and any related interest charges.

December 31, 2009	Buildings	Industrial Insulation	Industrial Electric	Corporate and Other	Total
Revenues	\$ 483,837	\$ 73,100	\$ 44,304	\$ -	\$ 601,241
EBITDA ⁽¹⁾	51,289	9,082	2,777	(11,826)	51,322
Depreciation and amortization	2,229	352	1,076	778	4,435
Interest expense	38	-	33	169	240
Earnings (loss) before tax	\$ 49,022	\$ 8,730	\$ 1,668	\$ (12,773)	\$ 46,647
Income taxes					(13,168)
Net earnings from continuing operations					\$ 33,479
Goodwill and intangible assets	\$ -	\$ -	\$ 7,315	\$ 3,395	\$ 10,710
Total assets	\$ 268,778	\$ 26,876	\$ 23,578	\$ 48,185	\$ 367,417
Capital expenditures	\$ 3,120	\$ 927	\$ 619	\$ 3,860	\$ 8,526

December 31, 2008	Buildings	Industrial Insulation	Industrial Electric	Corporate and Other	Total
Revenues	\$ 568,958	\$ 73,748	\$ 118,247	\$ -	\$ 760,953
EBITDA ⁽¹⁾	42,827	8,711	11,595	(6,947)	56,186
Depreciation and amortization	1,998	231	1,044	816	4,089
Interest expense	65	3	64	359	491
Earnings (loss) before tax	\$ 40,764	\$ 8,478	\$ 10,487	\$ (8,123)	\$ 51,606
Income taxes					(16,015)
Net earnings from continuing operations					\$ 35,591
Goodwill and intangible assets	\$ -	\$ -	\$ 7,315	\$ 21	\$ 7,336
Total assets	\$ 183,539	\$ 26,707	\$ 36,348	\$ 56,227	\$ 302,821
Capital expenditures	\$ 3,301	\$ 376	\$ 2,535	\$ 1,034	\$ 7,246

(1) EBITDA represents earnings or loss before interest, income taxes, depreciation and amortization. EBITDA is not a measure that has any standardized meaning prescribed by Canadian GAAP and is considered to be a non-GAAP measure. Therefore, this measure may not be comparable to similar measures presented by other companies. This measure has been described and presented in the manner in which the chief operating decision maker makes operating decisions and assesses performance.

For the purposes of presentation, capital expenditures of \$48 (2008 – \$314) relating to capital leases have been treated as non-cash transactions and as such have not been reflected on the Consolidated Statements of Cash Flow (Note 11).

In 2009, revenue from a significant customer was \$110,338, which represented greater than 10% of contract revenue earned. This revenue was earned in the Buildings segment. In 2008, no individual customer was responsible for greater than 10% of contract revenue.

23. Employee Contribution Plans

The Corporation has a registered retirement savings plan which permits employees to voluntarily contribute up to 5% of their gross base salary. The Corporation matches all contributions made by the employees. The combined contributions are invested by the individual employees, at their discretion, in any of several mutual funds offered by the plan. Contributions made by the Corporation during the year to the registered retirement savings plan was \$1,293 (2008 – \$1,579).

The Corporation has an employee share purchase plan which permits employees to voluntarily contribute up to 10% of their gross base salary. The Corporation matches all contributions by the employees up to a maximum of 5% of the gross base salary. The combined contributions are invested by the plan in common shares of the Corporation purchased on the retail market. Contributions made by the Corporation during the year to the employee share purchase plan was \$1,185 (2008 – \$1,392).

The Corporation also has a DSU plan that provides an opportunity for employees and Directors to invest a percentage of the pre-tax salary or bonus in DSUs. Employees can contribute between 1% to 25% of their regular pre-tax salary or bonus to the plan and Directors can contribute up to 100% of their retainer and meeting fees. The amount of salary and/or bonus contributed to the plan determines the number of DSUs at the time of contribution with the value of the DSUs floating with the market value of the Corporation's share price. Cash payout for the equivalent value of DSUs is only made when an employee/Director ceases to be an employee/Director. From time to time, in the sole discretion of the Board, each Non-Employee Director may be awarded discretionary grants of DSUs as part of their remuneration package. During the fourth quarter, the Corporate granted a total of 32,934 DSUs to Directors resulting in additional stock-based compensation expense of \$660 (2008 – nil).

24. Comparative Figures

Certain of the comparative figures have been adjusted to be consistent with the current period presentation.