

the
Churchill
Corporation

PEOPLE



PROGRESS



VALUE

TSX:CUQ, CUQ.DB

**Western Canada
Construction
Leader**

Investor Presentation

January 2012

Forward-Looking Information

Unless otherwise specified, all dollar amounts are expressed in Canadian dollars.

Reference in this document and hereafter, to the Company, or to the Churchill Corporation means as the context may require, The Churchill Corporation and all or some of its subsidiaries or joint ventures. Statements in this document that describe the Company's or management's objectives, projections, estimates, anticipated synergies, expectations or predictions of the future may be "forward-looking statements" which can be identified by the use of forward looking terminology such as "believes, expects, may, will, should, estimates, anticipates," or the negative thereof, or other variations thereon. The Company 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 Company assumes no obligation to update the forward-looking statements should circumstances or the Company's management's estimates or opinions change, except as may be required by law.

The numbers

TSX:CUQ

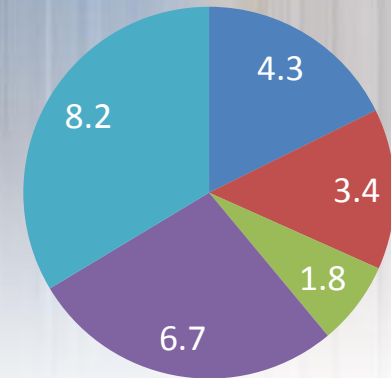
Common Shares (millions)

\$386 million

Enterprise Value

\$275 million

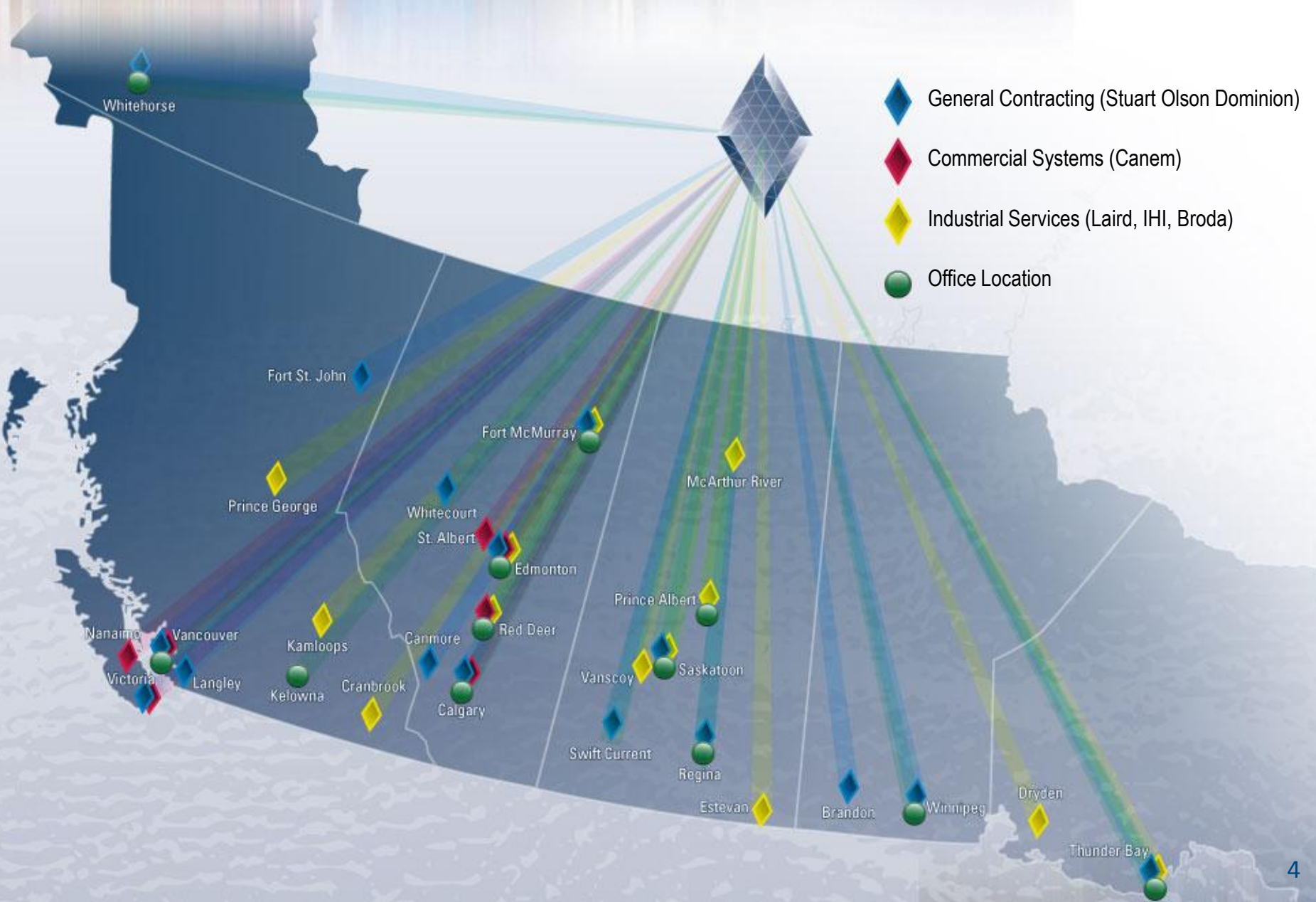
Market Capitalization
(as of January 4, 2011)



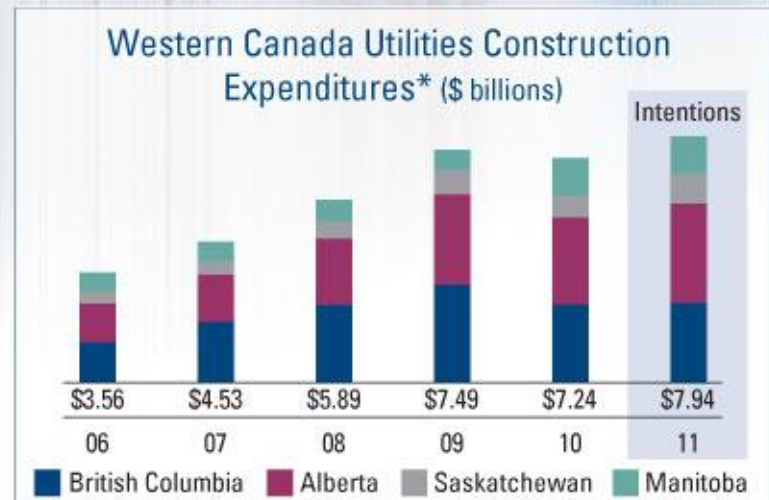
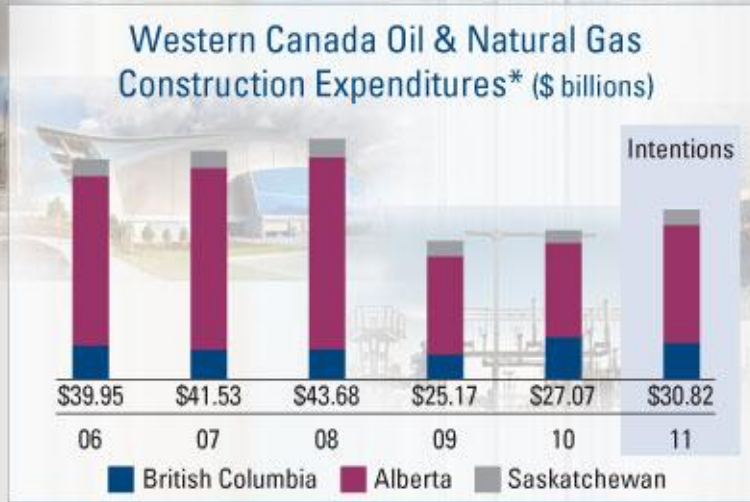
24.4 million
shares
outstanding

- 17.7% - AIMCo
- 14.0% - Private individual
- 7.3% - Management, directors & employees
- 27.4% - Institutional
- 33.6% - Retail & undisclosed

Major Contracts Across Western Canada



markets



Source: Statistics Canada

The big picture



Focused on value creation through sustainable growth in Western Canada

Growing backlog with improved risk-adjusted margins

Well-positioned to prosper in potential recession

Quarterly dividends of \$0.12 per share (4-5% yield)

Share repurchase program recently launched

Broad sell-side analyst coverage

Attractive entry point for value investors








Think shareholder value

Focused on the basics:

Continued profitable organic growth across all business segments through:

- Rigorous project selection,
- Profitable execution of backlog,
- Safety first; and
- Persistent, unrelenting customer focus.

Operating Segments

General Contracting	Service	Q3 Backlog ⁽¹⁾	Markets Served
	Construction management, general contracting	\$1.52 billion	Institutional / Commercial / Industrial
Commercial Systems			
	Electrical and data communications services	\$121 million	Institutional / Commercial
Industrial Services			
	Electrical and instrumentation services	\$83 million	Industrial
	Insulation, asbestos abatement, siding application	\$72 million	Industrial
	Road & mine construction, quarrying of railway ballast	\$52 million	Civil / Industrial

(1) See definition on slide 16.

2011 Capital and Business Update



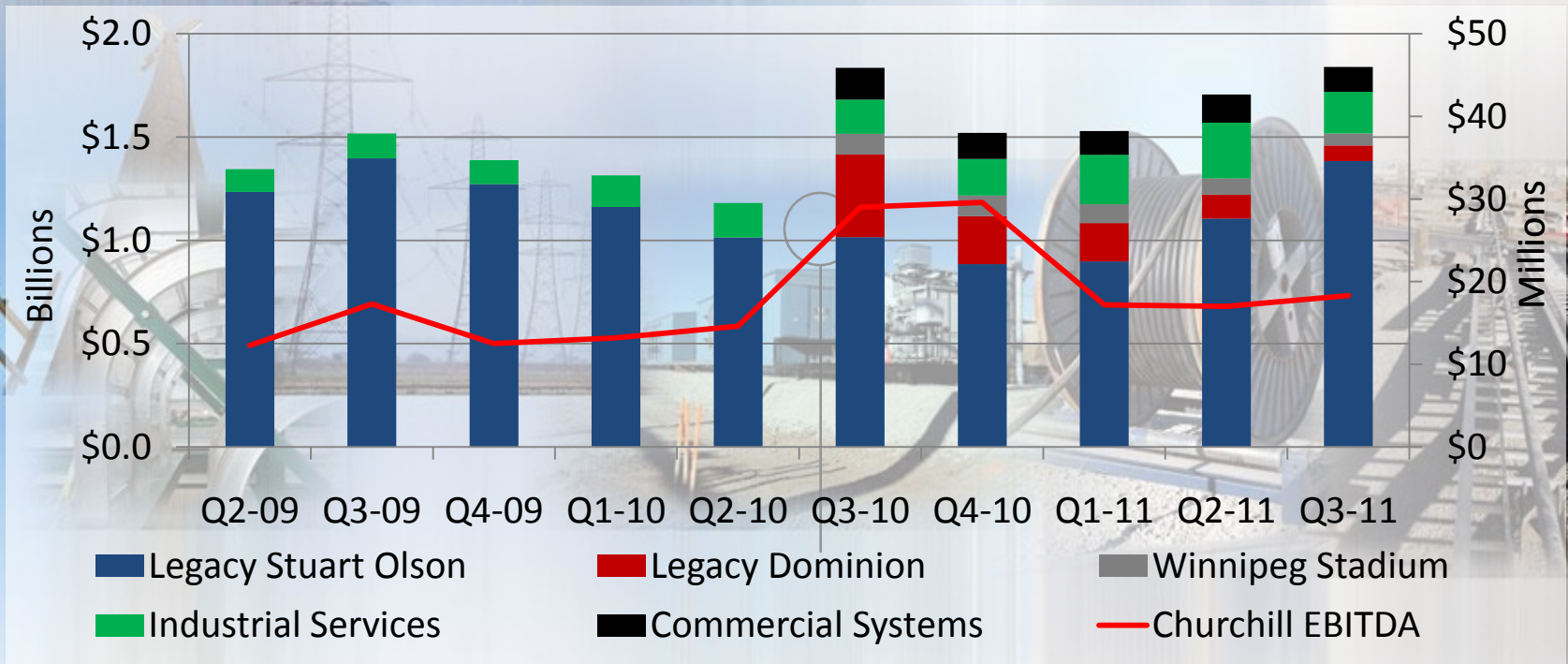
Growth strategy continues

- McCain Electric acquisition announced May 2, 2011
- Opportunities under evaluation in industrial market

Capital to support new project awards and acquisitions

- \$200 million credit facility terms improved and extended until July 12, 2015
- Access to equity markets supported by broad analyst coverage

Backlog and EBITDA



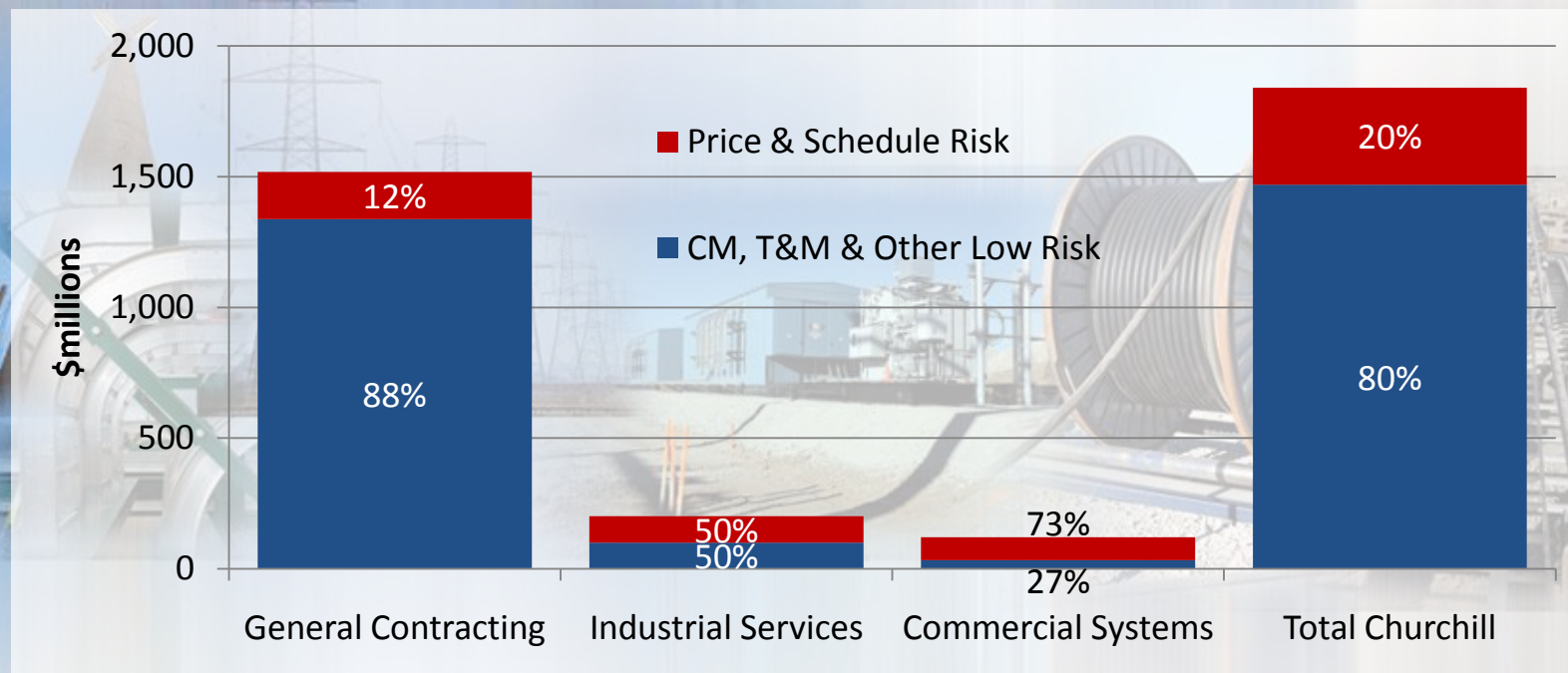
Record backlog in Q3 2011

- \$1.8 billion as of Sep.30, 2011
- Over \$1.0 billion of major new project awards announced and added to backlog in 2011

EBITDA and earnings tend to lag backlog

- Limited profit recognition in early stages of projects
- Profit is recognized in latter stages of projects as contingencies are removed
- This, combined with large backlog additions, makes quarterly earnings lumpy

Q3 2011 Backlog Composition



Existing backlog is primarily low risk

- Low risk includes construction management and time & materials
- Projects with price and schedule risk include competitive bid and fixed price

Future backlog will remain primarily low risk

- SODCL is expected to remain approximately 90% low risk
- Other segments may vary, but have minor impact due to relatively small size

Quarterly Dividend Started in 2011

Board & management
are confident in
future cash flows

Churchill has paid
three quarterly
dividends of \$0.12
per share

Dividend reinvestment
plan (DRIP) instituted

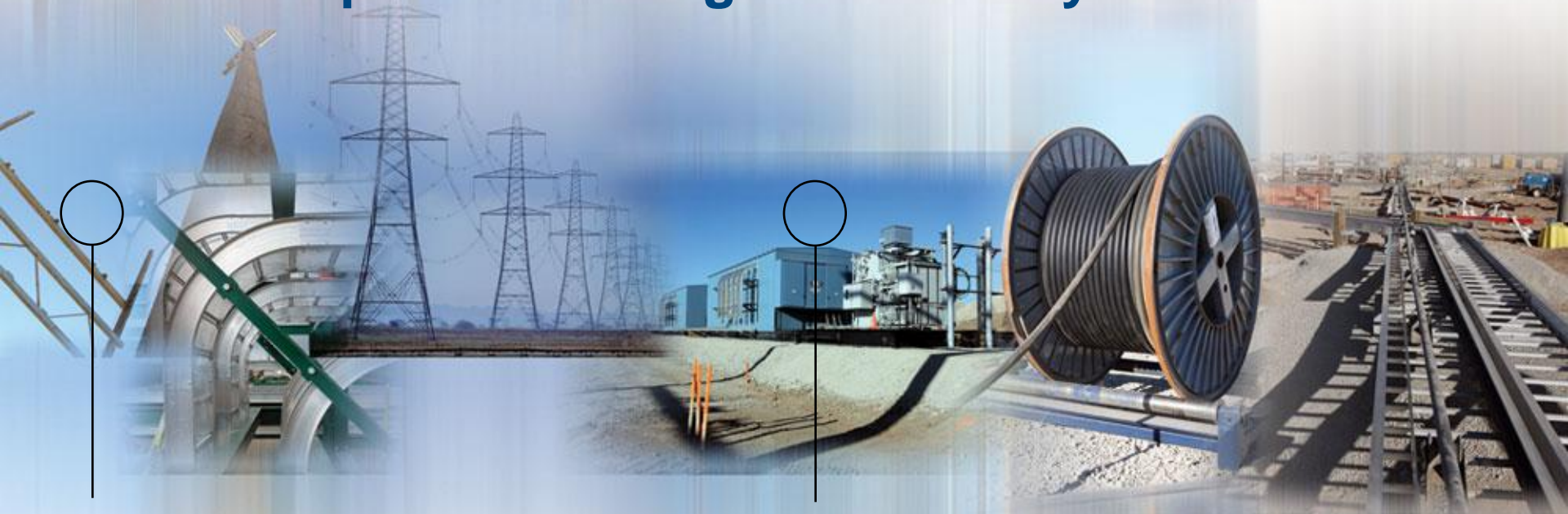
\$0.12
quarterly dividend

Potential to increase
shareholder base and
improve liquidity

Allows shareholders
to receive yield and
participate in capital
appreciation

This dividend has the
potential for future growth
based on performance

Share Repurchase Program Recently Launched



Up to 5% of outstanding shares

- 5% = 1.2 million shares
- For up to 12 months commencing Nov. 30, 2011
- 88,400 shares repurchased in the first 6 weeks of the program (7% of 1.2 million shares)







Increases proportionate interest of remaining shareholders

- Shares purchased when management believes the market price does not reflect underlying value

Nine Months 2011 Financial Highlights

(C\$ millions, except per share amounts)

9 months ended Sept. 30

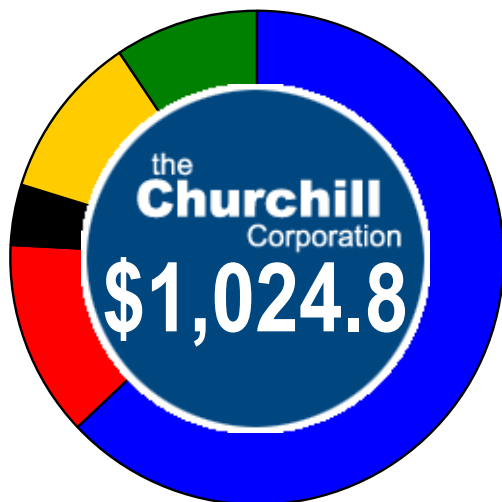
	2011	2010	\$ Change	% Change
 Revenue	\$ 1,024.8	\$ 792.4	\$ 232.4	29%
 EBITDA ⁽¹⁾	\$ 52.5	\$ 43.7	\$ 8.8	20%
<i>Margin</i>	5.1%	5.5%	(40 bps)	(7%)
 Net earnings	\$ 17.7	\$ 20.9	\$ (3.2)	(15%)
 Diluted earnings per share	\$ 0.72	\$ 0.99	\$ (0.27)	(27%)
 Funds from operations (FFO) ⁽¹⁾	\$ 52.4	\$ 47.7	\$ 4.7	10%
 Diluted FFO per share	\$ 2.16	\$ 2.45	\$ (0.29)	(12%)

(1) "EBITDA" is earnings from continuing operations before interest, taxes, depreciation and amortization, and "FFO" is cash from operations before interest, taxes and changes in non-cash working capital (both non-IFRS measures).

Nine Months 2011 Revenue and EBITDA

Revenue

(C\$ millions)



■ \$670.4



General Contracting

■ \$22.4

■ \$136.9



Commercial Systems

■ \$16.5

■ \$42.1



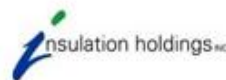
■ \$4.1

■ \$115.1



■ \$6.5

■ \$100.2

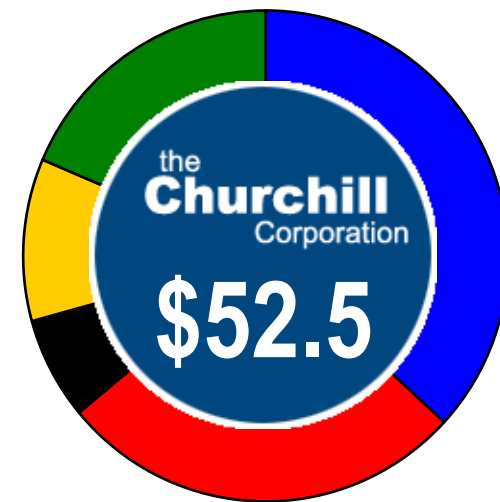


Industrial Services

■ \$11.3

EBITDA

(C\$ millions)



EBITDA Margin per Reporting Segment

General Contracting	3.3%
Commercial Systems	12.1%
Industrial Services	8.5%
Consolidated	5.1%

Q3 2011 Balance Sheet Summary

<i>(C\$ millions)</i>	Sept. 30, 2011	Dec. 31, 2010
Cash and cash equivalents	\$ 32.9	\$ 70.8
Current assets	\$ 496.3	\$ 484.4
Working capital	\$ 99.6	\$ 97.8
Long-term debt	\$ 66.6	\$ 74.1
Convertible debentures	\$ 76.1	\$ 74.5
Shareholders' equity	\$ 302.5	\$ 289.3
Total assets	\$ 894.1	\$ 871.8
Debt / EBITDA (annualized)	0.95 x	1.27 x
Backlog ⁽¹⁾	\$ 1,840.1	\$ 1,555.0

(1) Backlog is a non-IFRS measure that is 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.


General Contracting – Stuart Olson Dominion

2012 Goals

- Replenish and grow backlog
- High-grade project teams to ensure target margins
- Enhance organizational capability

Outlook

- Institutional spending outlook remains strong (schools, hospitals, recreation centres, P3s)
- Commercial spending is bullish
- Seeing steady stream of shovel-ready industrial projects
- Margin profile: short term compression, improving in 2nd half 2012

	Service	Q3 Backlog ⁽¹⁾	Markets Served
	Construction management, general contracting	\$1.52 billion	Institutional / Commercial / Industrial

(1) See definition on slide 16.


Commercial Systems – Canem

2012 Goals

- Increase revenue, margins and backlog
- Grow Northern Alberta operations
- Integrate new product offerings (Energy Management, Automation, Security)
- Identify new Light Industrial opportunities
- Implement succession plan and continue to invest in staff training

Outlook

- Strong growth in BC driven by mining
- Alberta to lead growth, driven by oil sands
- Mining and utility projects to drive growth Sask. & Man.
- Expect modest organic growth with steady margins

	Service	Q3 Backlog ⁽¹⁾	Markets Served
	Electrical and data communications services	\$121 million	Institutional / Commercial

(1) See definition on slide 16.




Industrial Services – IHI, Laird & Broda

2012 Goals

- Grow revenue, margin and backlog
- Add new customers and projects
- Market integrated services of Churchill group
- Optimize business processes through new SAP system

Outlook

- Oil sands & mining spending expected to increase due to high oil, metals & minerals prices and projects sanctioned for construction

	Service	Q3 Backlog ⁽¹⁾	Markets Served
	Electrical and instrumentation services	\$83 million	Industrial
	Insulation, asbestos abatement, siding application	\$72 million	Industrial
	Road & mine construction, quarrying of railway ballast	\$52 million	Civil / Industrial

(1) See definition on slide 16.

Why Invest?



- **Western Canada pure play**

- One of the largest public Canadian construction companies
- The only one focused exclusively on Western Canada's growing, resource-rich economy

- **Growing backlog with high quality projects**

- Record backlog of \$1.8 billion for Q3 2011
- Provides excellent visibility of future revenue and earnings growth
- Quarterly backlog and earnings are lumpy and seasonal

- **Revenue synergies available within Industrial Services segment**

- Bundling products and services
- Sharing market intelligence

Why Invest?

- **Focused on low risk, value enhancing project execution**

- **Well positioned for potential economic downturn**
 - Institutionally levered backlog
 - Scalable operations
 - Strong balance sheet
- **Growing organically and through accretive acquisitions**
 - Tuck-in acquisitions to add products, services and geographic reach to existing operating companies

Why Invest?

- **\$0.12 per share dividend, payable quarterly**
 - 4-5% dividend yield
- **Share buyback program in place**

- **Attractive entry point for value investors**

- Stock is trading near bottom of 52-week range
- Strong history of exceeding expectations
- Low debt to capitalization ratio
- Valuation on P/E, EV/EBITDA and P/B at low end of historical range and trading at a discount to peers

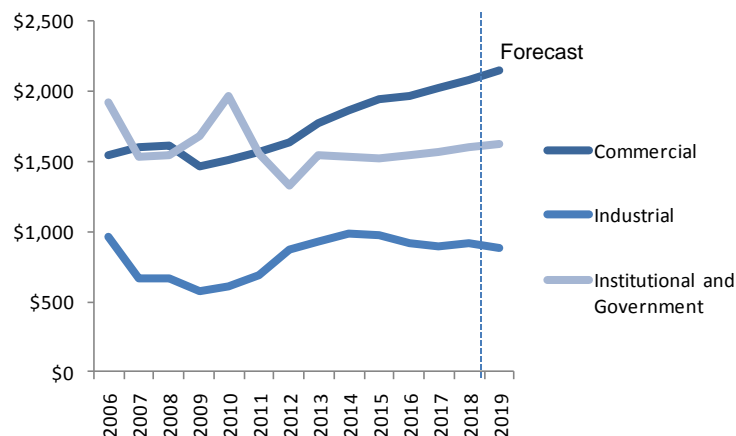
APPENDIX

CONSTRUCTION OUTLOOK

Construction Outlook – Western Canada

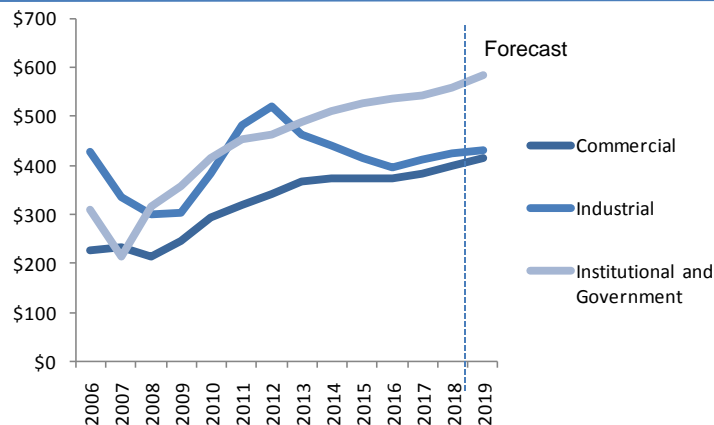
Investment for building construction including commercial, industrial and institutional by province.

British Columbia



- B.C.'s forecast moderate GDP growth at 3.3%
- September 2010 report shows 956 major construction projects are planned or underway across the province worth an estimated \$197.7 B
- The number of projects planned or underway is up 8% and the estimated value is up almost 5% over September 2009
- Gov't capital spending on schools, hospitals, roads, hydro-electric projects and other infrastructure in B.C. is expected to total \$19 billion over the next three years.
- Accelerated infrastructure program winds down in 2011/12.

Saskatchewan

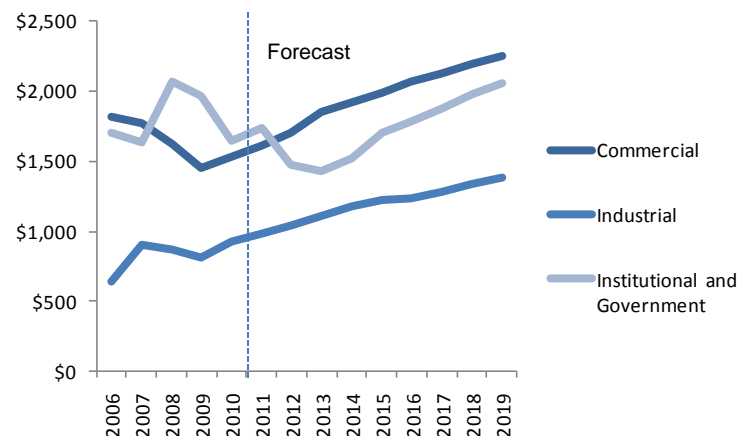


- Anchored by growth in the potash industry and energy sector, Saskatchewan is poised for a period of prolonged economic prosperity
- Conference Board of Canada (CBOC) has Saskatchewan leading the country in economic growth in 2011 and 2012
- In 2010-11, \$632 million was dedicated to provincial infrastructure projects
- Saskatchewan the only Province expected to have a surplus budget in 2011

Construction Outlook – Western Canada

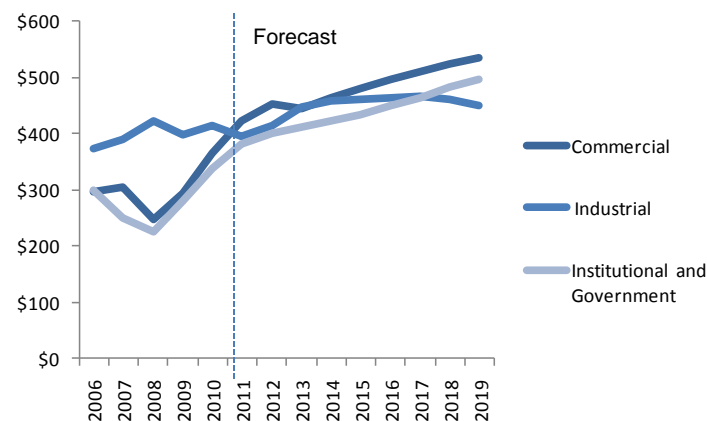
Investment for building construction including commercial, industrial and institutional by province.

Alberta



- Province well-positioned for return to economic growth
- Forecast GDP growth of 3.3 per cent in 2011, averaging 3.2 per cent from 2012-2014
- Savings in Sustainability Fund to offset deficits
- The 2011-14 Capital Plan supports \$17.6 billion in infrastructure spending, including \$6.6 billion in 2011-12. The three-year plan includes:
 - \$5.1 billion for municipal infrastructure
 - \$4.6 billion for roads and highways
 - \$2.6 billion for health care facilities and equipment
 - \$1.2 billion for schools and post-secondary

Manitoba

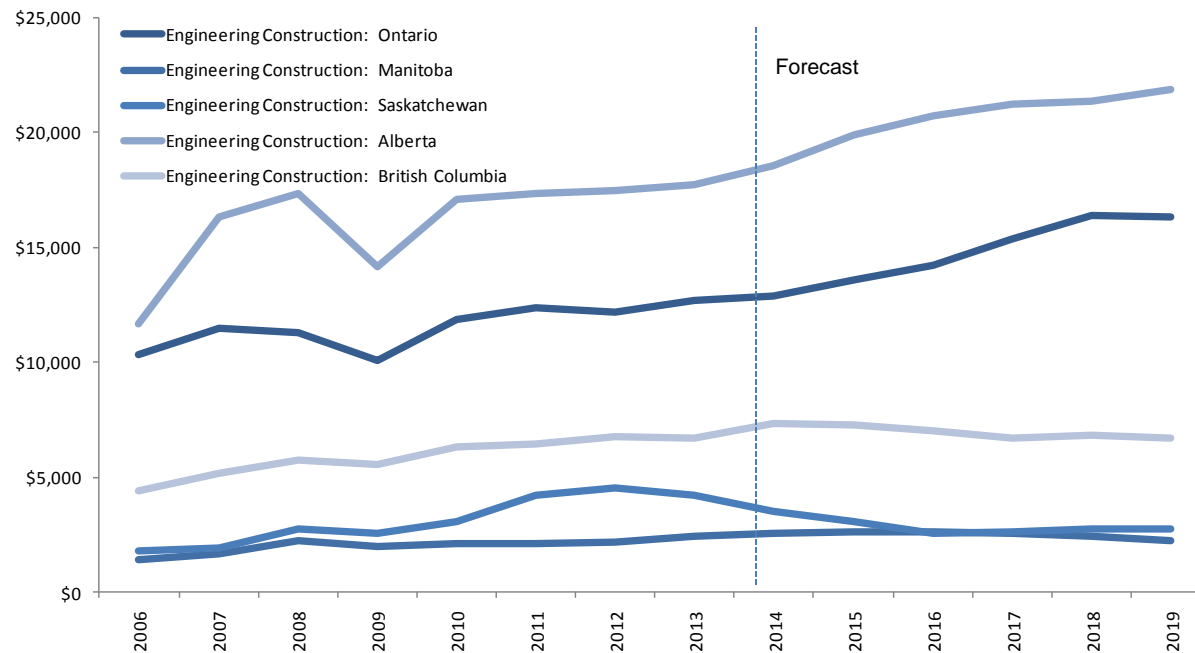


- Manitoba is one of the few provinces forecast to post stronger growth in 2011 than in 2010
- Growth will accelerate on the strength of improving performance in mining, manufacturing and utilities industries
- 5 year economic plan - eliminating the deficit and returning to balance budgets by 2014

Construction Outlook

Total investment for engineering construction by province.

Total Engineering Construction Investment



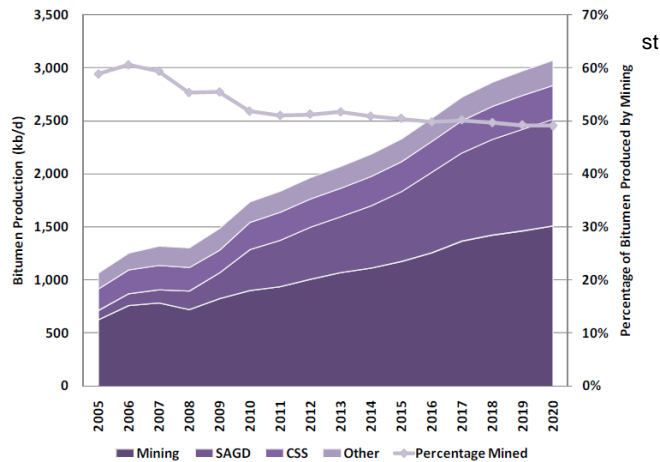
- Investment in engineering construction led by Alberta and Ontario followed by British Columbia, Saskatchewan and Manitoba
- Oil sands investment falls partially under this category
- Definition for engineering construction found in glossary at the end

INDUSTRIAL OUTLOOK

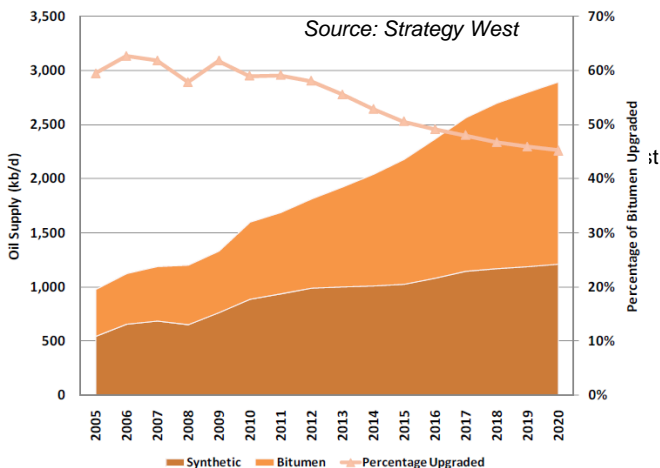
Oil Sands

Economic drivers: Global oil supply and demand, resource availability and proximity to the U.S. consuming market.

Projected Bitumen Production



Projected Oil Sands Supply



- Canada's proven oil reserves of 170 billion barrels are the second largest in the world behind Saudi Arabia. Alberta's oil sands represent 97% of Canada's total proven oil reserves. Approximately, 80% of these reserves are "in-situ" and the remainder is "minable".
- In 2010, Alberta's bitumen production averaged 1.61 million barrels (bbls) per day. Approximately, 53% of this production was from mining reserves and the balance in-situ. Oil sands production exceeded conventional oil production.
- Industry analysts are projecting production to grow to 3.3 - 3.5 million barrels (bbls) per day in 2020 with production split equally from mining and in-situ.

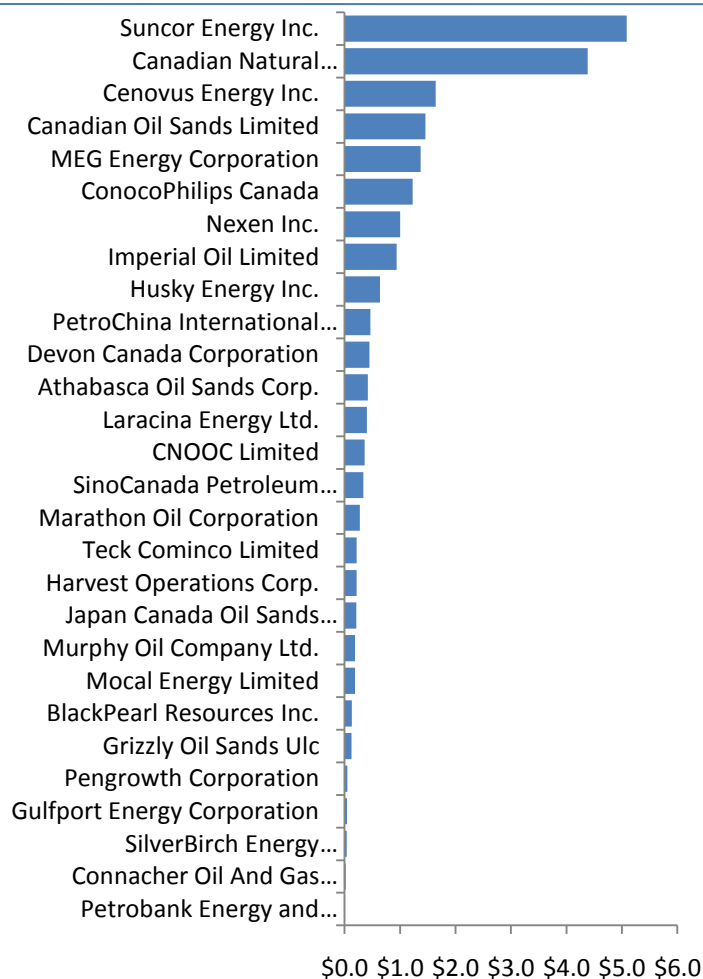
- Over the last several years ~60% of all bitumen produced in Alberta has been upgraded to synthetic crude oil (SCO) before being delivered to downstream refineries for further processing.
- To year-end 2009, almost all Alberta SCO was produced at upgraders that are integrated with oil sands mining projects (Suncor, Syncrude, the Athabasca Oil Sands Project and CNRL Horizon).
- Upgrading economics today are not attractive due to narrow heavy/light crude oil price differentials.

Source: Strategy West

Oil Sands Spending

Suncor Energy will be one of the most active players in 2012 especially with its announced partnership with Total E&P Canada; as will CNRL as it restarts its Horizon Upgrader and continues its expansion. The projected investment from all companies is expected to be around \$26 billion.

Budget 2012 (billions)



Source: Oilsands Review, Company report

Suncor Energy Inc. (\$ millions)

Oil sands	
▪ Oil sands base	\$1,780
▪ In-situ	\$1,830
▪ Oil sands ventures	<u>\$1,475</u>
	\$5,085

Canadian Natural Resources Limited (\$ millions)

▪ In-situ Primose	\$810
▪ In-situ Kirby Phase 1	\$440
▪ Primary Upgrader Fire Recovery	\$400
▪ Redwater Upgrading	\$345
▪ Reliability Tranche 2	\$165
▪ Tailings Reduction	\$215
▪ Sustaining Capital	\$225
▪ Turnarounds / reclamation	\$180
▪ Phase 2A	\$345
▪ Phase 2B	\$720
▪ Phase 3	\$475
▪ Phase 4	<u>\$ 30</u>
	\$4,380

Upgraders

Bitumen production from in-situ projects will surpass bitumen production from mining projects within the next few years and the percentage of bitumen that is upgraded before it leaves Alberta will decline – i.e. There will be limited investment in upgrading capacity.

Alberta Upgrader Operating Projects

Operator	Project	Capacity (Bitumen bbls/d)
CNRL	Horizon Phase 1 (Athabasca)	135,000
Nexen	Long Lake Phase 1 (Athabasca)	72,000
Shell	Scotford Upgrader 1 (Industrial Heartland)	249,000
Suncor Energy	U1, U2, Millennium (Athabasca)	357,000
Syncrude	Stages 1 and 2 (Athabasca)	350,000
Husky	Lloydminster Upgrader	82,000

Alberta Upgrader “Under Construction” Projects

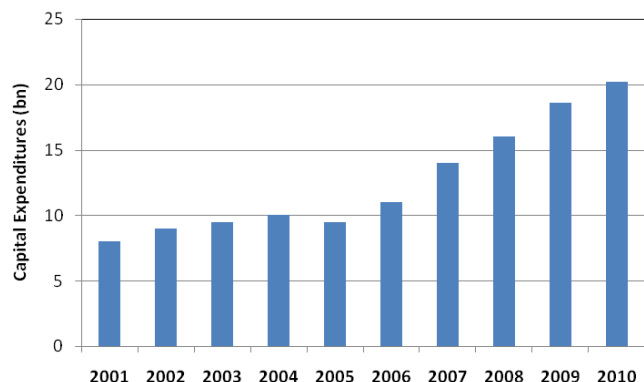
Operator	Project	Status	Operator	Project	Status
Suncor	Fort Hills	Design base memorandum engineering	North West /CNRL	North West Upgrader	Project sanctioning expected 2012
BA Energy	Heartland Phase 1	Approved, on hold	Suncor Energy	Voyageur 3 Phase 1 & 2	Remobilize workforce, confirmation of design and modify project execution plans
CNRL	Horizon Trances	Tranche 2 (construction), Phase 2A, 2B, 3 approved	Nexen	Long Lake Phase 2	Approved

UTILITIES INFRASTRUCTURE

Power Generation, Transmission & Distribution

Industrial and population growth are the main drivers of Canada's electricity markets. In 2010, investment in the power generation, transmission and distribution industry in Canada is estimated at \$20.2 billion, up 9.3% from 2009. According to Environment Canada, on a national basis, electricity demand will grow at a compound rate annual rate of 1.5% between 2005 and 2020 and ~\$150 million will need to be invested in new power generation facilities from 2005 to 2025.

Capital Spending – Power Generation, Transmission and Distribution



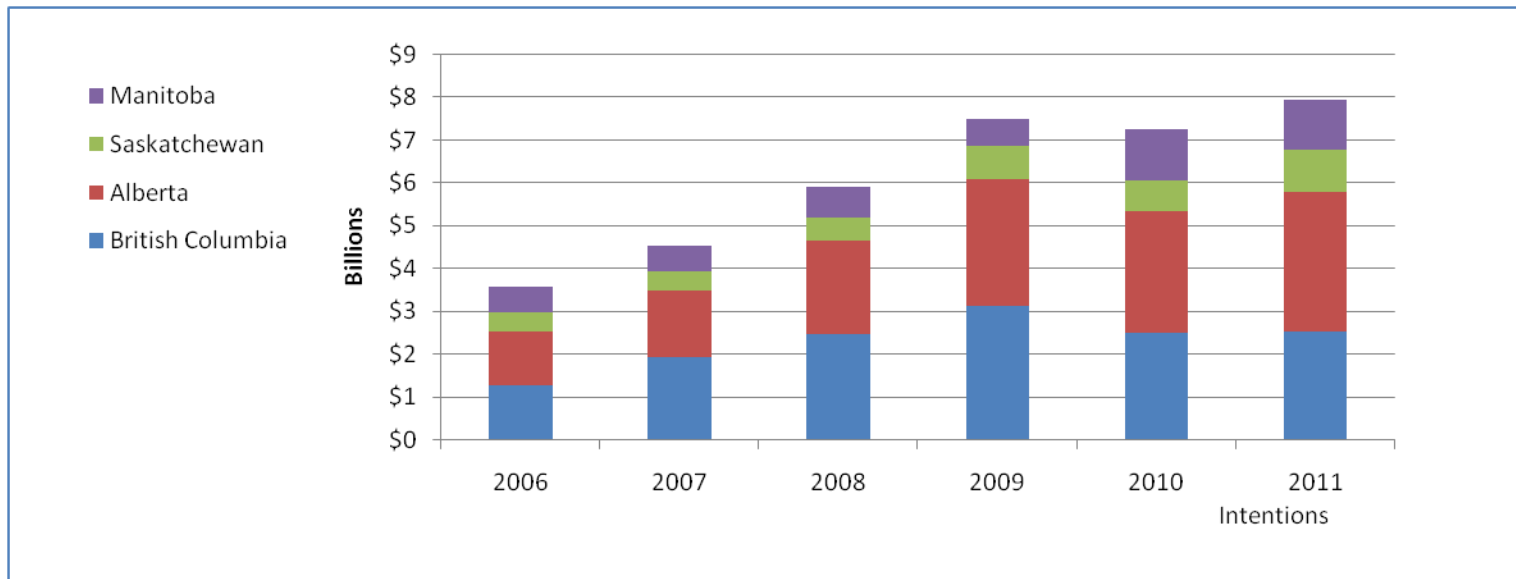
- With the exception of Alberta (TransAlta Corporation and Capital Power Corporation (a spin-off of Epcor Utilities Ltd.)), Canada's only fully competitive power **generation** market, the provincial power markets are still largely price regulated by provincial power authorities (i.e. B.C. (BC Hydro), Saskatchewan (Sask Power) and Manitoba (Manitoba Hydro)).
- The power **transmission** and **distribution** grid is largely regulated in Alberta under a cost of service model.
- Over the next 20 years, Alberta Electric System Operation ("AESO") forecast an average annual growth rate of 3.3% in Alberta's energy demand, nearly double the Canadian average. AESO estimates the **capital cost of new generation to be \$35 billion over the next 10 years.**
- AESO has stated that the existing transmission system is congested, aging and inefficient; and will not be able to meet future demand of the province – **projected \$16.6 billion to spent over the next 10 years to improve the current system.**

- Alberta transmission and distribution main players
 - ✓ AltaLink (largest)
 - ✓ ATCO
 - ✓ FortisAlberta
 - ✓ ENMAX
 - ✓ EDTI

Power Generation, Transmission & Distribution

\$7.9 billion – 2011 expected Western Canada utilities construction expenditures. Both Laird and IHI have worked in this sector (Laird – TransAlata, Capital Power; IHI – Capital Power and Sask Power)

Western Canada Utilities Construction Expenditures

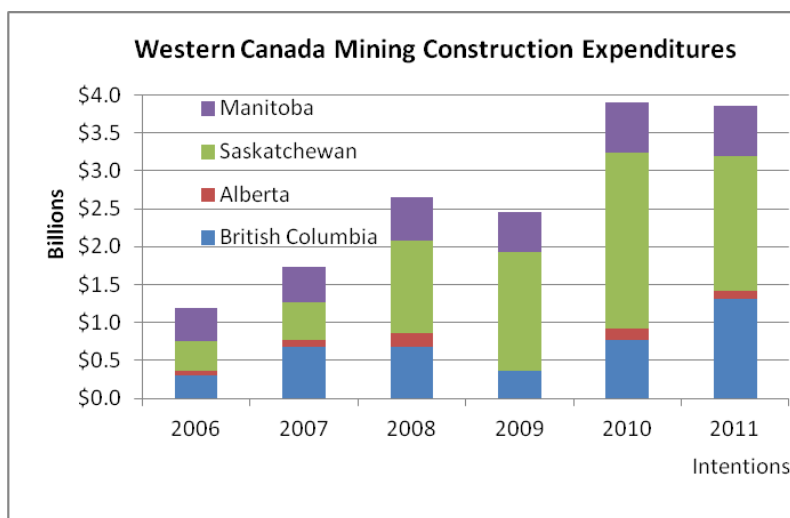


MINING

Mining

Saskatchewan produces one-third of the world's potash and uranium, and B.C. is home to over 800 mining companies with gross annual revenues in excess of \$8 billion. Alberta has large deposits of thermal coal used for power production and is Western Canada's cement manufacturing hub. Manitoba mines produce about \$1.3 billion of metals and industrial minerals per year.

Western Canada Mining Construction Expenditures



- Potash Corporation is responsible for about 20% of global potash capacity and is projected to nearly double its operational capability by 2015.
- Cameco Corporation is responsible for 16% of world uranium mine production and plans to double its production by 2018.
- B.C. currently has seven new mines, each with an operating life of 12-25 years, representing \$4 billion in capital investment and hundreds of millions of dollars in ongoing, annual operating expenditures.
- **\$3.9 billion – Expected 2011 Western Canada mining construction expenditures.**