BIRD CONSTRUCTION INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FIRST QUARTER ENDED MARCH 31, 2011

Management's Discussion and Analysis - First Quarter Ended March 31, 2011

The following Management's Discussion and Analysis ("MD&A") of Bird Construction Inc.'s ("the Company") financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2011 and the December 31, 2010 audited consolidated financial statements of Bird Construction Income Fund (the predecessor to the Company) and the notes thereto presented in comparison to the preceding year. This discussion contains forward looking statements, which are subject to a variety of factors that could cause actual results to differ materially from those contemplated by these statements. See "Forward Looking Information". Some of the factors that could cause results or events to differ from current expectations include, but are not limited to, the factors described under "Risks Relating to the Business" and "Risks Relating to the Shares" included in the Company's most current Annual Information Form dated March 3, 2011. This MD&A has been prepared as of June 2, 2011. Additional information about the Company is available through the System for Electronic Document Analysis and Retrieval (SEDAR) at www. sedar.com and includes the Company's Annual Information Form and other filings, including those filed by its predecessor, Bird Construction Income Fund ("the Fund").

On January 1, 2011, the Fund converted from an income trust structure to a public corporation under an Arrangement Agreement executed between the Fund and the Company. Under the Arrangement Agreement the Fund's Unitholders transferred their units in the Fund to the Company in exchange for commons shares of the Company on a one-for-one basis. Accordingly, all former Unitholders became Shareholders of the Company on January 1, 2011 and the Company owned all of the outstanding units of the Fund.

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EXECUTIVE SUMMARY:

(thousands of dollars, except per share amounts)	For the three months ended March 31, 2011	2010
Income Statement Data		
Revenue	$ 171,155	$ 181,626
Gross profit	12,179	25,585
Income before income taxes	5,792	16,903
Net income [(1)]	4,109	13,811
Basic and diluted earnings per share [(3)]	0.10	0.33
Cash Flow Data		
Cash flows from (used in) operations	(17,012)	3,256
Additions to property and equipment [(2)]	1,265	359
Cash dividends/distributions paid	(2,108)	(6,323)
Cash dividends/distributions declared per share [(3)]	0.165	0.150
	March 31, 2011	December 31, 2010
Balance Sheet Data		
Total assets	446,443	482,981
Working capital	135,727	137,130
Shareholders' equity	157,794	160,640

(1) includes comprehensive income, hereafter referred to as net income

(2) including computer software purchases included in intangible assets

(3) adjusted for the April 2011 three-for-one stock split

HIGHLIGHTS DURING THE QUARTER:

- The Company's first quarter net income of $4.1 million compares with $13.8 million reported in the first quarter of 2010. The reduction in net income is a result of a decline in construction revenues derived from industrial work combined with the impact of lower overall gross profit margins, consistent with a more competitive market. Additional income tax expense of approximately $1.7 million resulting from the full taxation of Bird's income effective January 1, 2011 also contributed to lower first quarter 2011 earnings.

- The Company secured $160.0 million of new construction contracts during the quarter including change orders on existing contracts, and put in place work valued at $171.2 million. In addition, the Royal Alberta Museum contract was cancelled during the quarter resulting in a reduction to Backlog of $147.0 million. Backlog as at March 31, 2011 was $1,071.4 million compared to $1,229.6 million as at December 31, 2010.

- In the first quarter, the Company successfully achieved substantial construction completion on the Surrey Outpatient Facility in British Columbia. The completion of this significant project represents Bird's second Public Private Partnerships (PPP) project to be completed.

- Effective January 1, 2011, the Fund converted from an income trust structure to a public corporation.

- On March 3, 2011, the Company announced its first common share dividend since converting from an income trust structure to a public corporation. The quarterly dividend of $0.495 per common share represents a 10% increase in the annualized amount of the distributions previously paid by the Company's predecessor, the Fund.

- On March 3, 2011, the Company approved a three-for-one stock split accomplished by way of a stock dividend. A stock dividend of two common shares for each common share held on April 14, 2011 was declared on March 3, 2011 and paid on April 22, 2011.

- On March 3, 2011, the Company announced that dividends will be paid on a monthly basis rather than on a quarterly basis. Effective with the April 2011 dividend, the Company commenced payment of monthly dividends at a rate of $0.055 per common share, equivalent to $0.66 per common share on an annualized basis. The amount is equivalent to an annualized rate of $1.98 per common share before the impact of the three-for-one stock split.

- The Company previously prepared its financial statements in accordance with Canadian GAAP and adopted International Financial Reporting Standards ("IFRS") effective January 1, 2011. For more information regarding the transition to IFRS, see note 26 to the condensed consolidated interim financial statements, which contains further information and a reconciliation of previously reported financial information prepared under Canadian GAAP to IFRS. Except as otherwise noted, the financial information contained in the MD&A and in the interim financial statements has been prepared in accordance with IFRS.

NATURE OF THE BUSINESS:

The Company operates as a general contractor with offices in Halifax, Saint John, Toronto, Winnipeg, Calgary, Edmonton and Vancouver. The Company and its predecessors have been in operation for over 90 years and focuses primarily on projects in the industrial, commercial and institutional ("ICI") sector**s** of the general contracting industry. The Company utilizes fixed price, design-build, unit price, cost reimbursable, guaranteed upset price and construction management contract delivery methods. Since 2008, the Company secured and will continue to pursue design-build contracts with entities participating in the PPP market in the institutional sector.

While Bird self-performs some elements of its projects, particularly in the industrial market sector, the majority of the overall construction risk rests with its subcontractors. The scope of the work of each subcontractor is defined by the same contract documents that form the basis of the Company's agreement with its clients. The terms of the agreement between the Company and its clients are replicated in the agreement between the Company and its subcontractors. These "flow-down" provisions substantially mitigate the risk borne by the Company. Depending on the value of the work, the Company may require bonds or other forms of contract security from subcontractors which will help mitigate exposure to possible additional costs should a subcontractor not be able to meet their contractual obligations. The Company does not have a significant investment in equipment and fixed assets. Bird's primary constraint on growth is the securement of new work at reasonable margins and the availability of qualified professional staff who can be assigned to manage the projects.

MISSION STATEMENT:

The Company's mission statement is as follows:

Bird Construction Company turns ideas into reality through a tradition of building trust, delivering exceptional client service and creating value.

The Company's long record of success is based on trust that has been built with clients, employees and business partners and a commitment to providing exceptional customer service. We are committed to providing a remarkable customer experience for our clients by understanding their goals for their project and then ensuring that these objectives are achieved. The Company's core values include:

Safety

- Safety is a moral obligation. Our goal is to attain a zero incident frequency.

Teamwork

- We believe that the best results are achieved when everyone works together; our staff, our clients, our consultants and our subcontractors and suppliers.

Honesty and Integrity

- We do what we say. We are always honest, truthful and conduct ourselves with integrity.

Fairness

- We treat others as we would wish to be treated.

Professionalism and Excellence

- We conduct ourselves in a manner of which we are proud; as individuals, and as representatives of our Company and industry.

Personal Growth

- We support employees in their goal to expand their skills and experience. We believe that employees are entitled to meaningful, satisfying work as they help advance the goals of the Company.

STRATEGY:

The Company will pursue organic growth by constructing projects for clients in the ICI sectors. The Company will continue to utilize a range of contract formats and also will continue to pursue design-build projects across the entire ICI sector. The design work required for these projects is typically specialized and varies widely based on the project type. Accordingly, the Company will continue to out-source design services in order to efficiently access the best expertise available. The Company's long standing record of providing a quality product to its clients on time and standing behind that product after completion of construction, has provided the opportunity for the Company to work with many clients on a repeat basis. The Company will continue to emphasize operational excellence as a means for generating new opportunities, and thereby creating value.

More recently, the Company has secured and will continue to pursue design-build contracts with clients participating in the PPP market in the institutional sector. In addition to the Company's more traditional role of acting as a construction contractor to the PPP project, the Company is actively looking to acquire an equity position in PPP projects as a means to support it construction operations and generate additional construction opportunities. The Company has built shareholders' equity in order to have the financial capacity to pre-qualify for PPP construction contracts and should the right opportunities arise, acquire a non-controlling ownership interest in the PPP concession, using internally-generated funds.

The Company has developed expertise in the construction of water and waste water treatment facilities and will continue to capitalize on this expertise. Small to mid-size acquisitions may be considered as a means of achieving higher penetration in this market area.

The Company is well positioned to capitalize on what we believe to be a resurgence of construction activities in the Alberta oil sands. In addition, the Company is also positioning itself to address the maintenance requirements of our oil sands clients. Achievement of this strategic initiative may be accomplished through an acquisition or through organic growth, or a combination of both.

The Company believes that attractive opportunities exist for servicing the mining and hydro-electric industries and may consider acquisition opportunities to access this market.

The Company will continue its efforts to attract and retain a highly skilled professional work force to increase its capacity to deliver increasing revenues and earnings in the future. The Company prides itself in providing a working environment for its employees based on the principles of honesty, integrity, excellence and professionalism. The Company supports employees in their goal to expand their skills and experience. The Company believes that employees are entitled to meaningful, satisfying work as they help advance the goals of the Company.

The Company emphasizes providing a safe working environment for its employees and those of its sub-contractors. Our safety program is supported through ongoing safety training programs, on-site safety supervision and audits of these programs.

KEY PERFORMANCE DRIVERS:

Securing profitable construction contracts and then controlling the costs during the execution of that work are key drivers of success for the Company.

In order to achieve this, new work must be available, which is a function of the general state of the economy. In periods of strong economic growth, capital spending will generally increase and there will be more opportunities available in the construction industry. Economic conditions relative to the construction industry over the last year have been weak and, accordingly, the competition for the contracts has increased. Both construction revenues and gross margins have been impacted by the general state of the economy.

The Company must be successful in securing profitable work when it is available. The construction industry is highly fragmented and, accordingly, the Company competes with a number of national, regional and local construction firms. One of the Company's competitive advantages rests in its long standing reputation for delivering high quality projects that fully meet the needs of the customer.

The Company's success in securing work is also reflected in the value of Backlog, which is the total value of all contracts awarded to the Company, less the total value of work completed on these contracts as of the date of the reporting period. This includes all contracts that have been awarded to the Company whether the work has commenced or will commence. The following table shows the Company's Backlog at the end of the comparative reporting periods.

Backlog

(thousands of dollars)	March 31, 2011	March 31, 2010	December 31, 2010
Backlog	$ 1,071,400	$ 844,100	$ 1,229,600

Once the Company has secured a potentially profitable contract, the profitability of that contract, measured by the gross profit percentage is primarily a function of management's ability to control the costs associated with that contract. The following table shows the gross margin percentage realized by the Company in the comparative reporting periods.

Construction Gross Profit Percentage

Three Months Ended March 31, 2011	Three Months Ended March 31, 2010	Year Ended December 31, 2010
7.1%	14.1%	10.6%

The reduction in the gross profit percentage in the current quarter compared with the same period last year is a result of the very competitive market that exists due to the recent economic conditions. The gross profit percentage achieved in the first quarter of 2010 reflected the execution of projects that were awarded in a more robust economic environment prior to the onset of the economic recession. The impact of lower gross profit percentages was particularly evident in the last half of 2010 as higher margin projects awarded before the economic recession began were completed in the first half of 2010, with the result that a greater proportion of lower margin projects were recognized in earnings in the last half of 2010 and this trend continued into the first quarter of 2011.

Financial condition

In order to pursue and secure projects, the Company must have adequate working capital and equity retained in the business to support its surety and contract security requirements. The Company continually monitors the adequacy of its working capital and equity to satisfy contract security needs. The following shows the working capital and equity of the Company in the comparative reporting periods.

(thousands of dollars)	March 31, 2011	March 31, 2010	December 31, 2010
Working Capital	$ 135,727	$ 132,572	$ 137,130
Shareholders' Equity	$ 157,794	$ 147,243	$ 160,640

Safety

The Company emphasizes safety in the conduct of all its activities. The Company will continue to strive for safety excellence as an integral part of the success of its overall operations. The Company is continually working to improve both its administration and technical execution with respect to safety. Safety management practices are reviewed by senior management of the Company. These reviews, along with comments from our operations staff, form the basis for an annual update of the Company's safety manual and procedures. The achievement of our success is measured based on Lost Time Accident statistics, which are monitored on a monthly basis, at all levels of the Company.

Lost Time Accident Frequency

	Three months ended March 31, 2011	**Three months ended March 31, 2010**	**Year ended December 31, 2010**
	0	0	0

In 2010, the Company is currently reporting a no lost time accident (LTA) year, however 2 incidents are currently in dispute with the respective Workers' Compensation Boards that could result in the incidents being reclassified as an LTA. Should these 2 incidents be classified as LTA's, the resulting LTA frequency for 2010 would be 0.25. This frequency is well below the industry average. A Lost Time Accident (LTA) is a work-related injury or illness that results in an individual being unable to work on a subsequent scheduled work day or shift. LTA frequency is defined as the number of LTA's recorded for a group of workers, per 200,000 man-hours of work by that group.

RESULTS OF OPERATONS:

THREE MONTHS ENDED MARCH 31, 2011 COMPARED WITH THREE MONTHS ENDED MARCH 31, 2010

The Company's performance in the first quarter of 2011 reflects the continuation of a very competitive construction market which began to impact the Company's gross profits in the second half of 2010. In the first quarter, the Company reported net income of $4.1 million on construction revenue of $171.2 million, compared with $13.8 million and $181.6, million respectively, in the first quarter of 2010. The reduction in the amount of net income compared with the prior year is attributable to the combined effect of lower construction revenue, lower gross profit and a relatively higher incidence of income tax expense which resulted in Bird's entire income being fully subject to corporate taxation in 2011.

Construction revenue of $171.2 million in the quarter was $10.4 million or approximately 5.8% lower than the amount recorded in 2010. The reduction in revenue primarily reflects lower revenues derived from the Company's industrial market activities related to a significant reduction in the amount of capital expenditures in the Alberta oil sands. In the first quarter of 2010, the Company's revenues included the revenues derived from the completion of previously awarded oil sands contracts. New contracts secured did not completely replace the volume of contracts completed and the gross profit margins associated with these new projects were lower.

In the first quarter of 2011, the Company's gross profit of $12.2 million compares with $25.6 million recorded a year ago. Although some of the reduction is attributable to lower construction revenues, for the most part, it is a result of lower gross profit margins. In 2011, the gross profit margin was 7.1%, compared with 14.1% in 2010. The Company began to experience the impact of lower margins in the last half of 2010 and the current quarter results reflect a continuation of a very competitive market as a result of current economic conditions. A substantial portion of the gross profit realized in the first quarter of 2010 included profit earned on projects which were awarded in more robust economic times and consequently had higher embedded gross profit margins than those associated with more recently secured projects.

General and Administrative expenses of $7.3 million were $2.0 million lower than those recorded in 2010. The reduction is primarily a result of lower overall compensation expense.

Finance income of $1.2 million was $0.3 million higher than 2010, primarily due to higher market returns available in 2011 compared with 2010 and to a lesser extent because of the impact of higher amounts of cash available to invest.

Finance costs of $0.2 million were relatively comparable with costs incurred in 2010. The amounts represent the interest accretion on holdback payables, which are recorded in the financial statements at amortized cost.

In 2011, income tax expense of $1.7 million was $1.4 million lower than 2010, consistent with lower pre-tax earnings. However, the amount of 2011 income tax expense reflects earnings being fully subject to corporate taxation. In 2010, the Company derived a benefit available to income trusts and their ability to shelter from income taxes, income that was distributed to unitholders. If these earlier rules continued to apply in 2011, the Company would not have recorded any income tax expense in the first quarter of 2011.

FUTURE OPERATING PERFORMANCE:

Successful financial performance of the Company is dependent upon securing profitable construction contracts and then controlling the cost associated with executing the work. The ability to secure contracts is a function of the general state of the economy. In the first half of 2010, the Company generated revenues and earnings, which reflected strong Backlog carried forward from a period of robust economic activity prior to the economic downturn. Since the start of the economic downturn, construction markets have remained very competitive, and the revenues and earnings reported in the last half of 2010 and the first quarter of 2011 reflect a greater proportion of work secured in a lower margin environment. Although the Company has been successful in maintaining a healthy amount of Backlog, the gross profit margins associated with new projects are lower than those experienced in recent years. Throughout the remainder of 2011 and possibly into 2012, management believes that earnings will continue to be affected by competitive market conditions.

The retail and commercial sector represented 7% of 2010 revenues (12% - 2009). In the current construction market, opportunities in the retail and commercial markets are significantly reduced compared to the period before the start of the economic downturn. Although some recovery is expected in 2011 as the economy is projected to strengthen, this market is likely to remain very competitive and the impact of this improvement on earnings is expected to be minimal.

The institutional sector represented 61% of 2010 revenues (55% - 2009). Opportunities in the public markets in 2011 are expected to remain solid; however, as all levels of government are expected to come under pressure to address budget deficits, management expects a decline in the level of expenditures in 2011 compared with 2010. The PPP construction market is also becoming more difficult both in terms of the quantity of opportunities and increased pressure on gross profit margins. There still remains a number of attractive opportunities for Bird. The Company will continue to be active in this market sector and will be submitting proposals on additional PPP projects throughout 2011 and beyond.

The industrial market contributed 32% of 2010 revenues (33% - 2009). Alberta oil sands activity in late 2009 and through 2010 was significantly reduced from the high levels experienced in 2007 and 2008. A number of the Company's oil sands clients have announced plans for projects. Engineering and procurement activity related to a number of these projects is underway. While construction work on smaller projects is expected to be available through the remainder of the year, a significant rebound in this work is not expected to impact our operating results until 2012 at the earliest.

Backlog

The Company secured $160.0 million in new construction contracts (including change orders to existing contracts), and put in place $171.2 million of construction revenue during the first quarter of 2011. In addition, on April 15, 2011, the Company announced that the Royal Alberta Museum project valued at $147.0 million was cancelled and the amount was removed from the Backlog. As a result, the Company's Backlog decreased to $1,071.4 million at March 31, 2011 compared to $1,229.6 million as at December 31, 2010. With respect to the current Backlog, approximately $580.5 million is expected to be put in place during 2011, leaving $490.9 million to carry forward to 2012 and beyond. The following table outlines the changes in the amount of the Company's Backlog throughout the current fiscal period and with a comparison to the prior year.

Backlog

(thousands of dollars)

December 31, 2009	$	901.4
Securements and Change Orders in 2010		1,170.2
Realized in construction revenues in 2010		(842.0)
December 31, 2010		1,229.6
Securements and Change Orders - Q1 2011		160.0
Cancellations - Q1 2011		(147.0)
Realized in construction revenues - Q1 2011		(171.2)
March 31, 2011	$	1,071.4

In addition to Backlog, at March 31, 2011, the value of uncompleted construction management contract work, for which the Company acts as an agent for the customer, is $196.6 million, compared with $126.6 million at December 31, 2010.

ACCOUNTING POLICIES:

The Company's significant accounting policies are outlined in the notes to the March 31, 2011 Unaudited Condensed Consolidated Interim Financial Statements.

Adoption of IFRS

Effective January 1, 2011, the Company adopted International Financial Reporting Standards ("IFRS") accounting policies and the related disclosure standards. The financial statements for the three months ended March 31, 2011 have been prepared in accordance with IFRS accounting and reporting standards and were approved by the Company's Board of Directors on June 2, 2011. The impact of the transition to IFRS standards relate primarily to the level of disclosure required in the current and prior period financial statements, including presentation and classification of expenses in the income statement. With the exception of the accounting for the Company's Medium Term Incentive Plan, there were no significant changes to Bird's accounting policies for determining or measuring its assets, liabilities, revenues and expenses.

The notes to the Unaudited Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2011 include reconciliations to the 2010 comparative financial statements of income, cash flows and equity previously presented using Canadian generally accepted accounting principles with those presented under IFRS.

The Company has adopted IFRS reporting standards to account for its Medium Term Incentive Plan. The amount of compensation expense included in the income statement includes amortization of the fair value of the Plan over the vesting period. Previously, under Canadian generally accepted accounting policies, the MTIP expense was included in the earnings of the period to which the MTIP award was based. This change in accounting policy has been applied retrospectively and is discussed more fully in the notes to the Unaudited Condensed Consolidated Interim Financial Statements.

Future accounting changes

IFRS 9 Financial Instruments (2010) supersedes IFRS 9 Financial Instruments (2009) and is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. For annual periods beginning before January 1, 2013, either IFRS 9 (2009) or IFRS 9 (2010) may be applied.

The Company intends to adopt IFRS 9 Financial Instruments (2010) in its financial statements for the annual period beginning on January 1, 2013. The Company does not expect IFRS 9 Financial Instruments (2010) to have a material impact on the financial statements. The classification and measurement of the Company's financial assets is not expected to change under IFRS 9 Financial Instruments (2010) because of the nature of the Company's operations and the types of financial assets that it holds.

SUMMARY OF QUARTERLY RESULTS:

The table below summarizes the results for the eight most recent quarters (in thousands of dollars, except per share amounts). Although the Company experiences some seasonality in its business, variations in net income from quarter to quarter primarily reflect the differences in the profitability of the contracts administered in the respective quarters. Contracts typically extend over several quarters and sometimes over several years. For purposes of quarterly financial reporting, the Company must estimate the cost required to complete each contract to assess the overall profitability of the contract and the amount of gross profit to recognize for the quarter. Such estimating includes contingencies to allow for certain known and unknown risks. The magnitude of the contingencies will depend on the nature and complexity of the work to be performed. As the contract progresses and remaining costs to be incurred and risk exposures become more certain, contingencies will typically decline, although certain risks will remain until the contract has been completed, and even beyond. As a result, earnings may fluctuate significantly from quarter to quarter, depending on whether large and/or complex contracts are completed or nearing completion during the quarter, or have been completed in immediately prior quarters.

There are also a number of other factors that can affect the Company's revenues and profit from quarter to quarter. These include the timing of contract awards, the value of subcontractor billings and project scheduling. Management does not believe that any individual factor is responsible for changes in revenue from quarter to quarter.

(thousands of dollars)	2009			2010				2011
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue	228,656	230,154	205,223	182,502	204,417	232,390	226,575	171,155
Net income	15,942	14,192	13,024	13,811	14,983	8,143	9,238	4,109
Earnings per share (1)	0.38	0.34	0.31	0.33	0.36	0.19	0.22	0.10

(1) Adjusted for the April 2011 three-for-one stock split

Amounts presented for 2011 and 2010 are prepared in accordance with IFRS. 2009 balances are prepared in accordance with Canadian GAAP before the adoption of IFRS.

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY:

The Company believes that its strong balance sheet, including equity of $157.8 million, $135.8 million of working capital, and no debt, allows it the financial capacity to support all of our contract security requirements, including the ability to secure performance, labour and material bonds, issue letters of credit to support PPP contract requirements and provide parent company performance guarantees. The following table outlines the amount of Shareholders' equity, working capital and Backlog at March 31, 2011, March 31, 2010 and December 31, 2010.

(thousands of dollars)		**March 31, 2011**		**March 31, 2010**		**December 31, 2010**
Shareholders' Equity	$	157,794	$	147,243	$	160,640
Working Capital	$	135,727	$	132,572	$	137,130
Backlog	$	1,071,400	$	844,100	$	1,229,600

The Company's more recent participation in PPP infrastructure development programs has required the Company to issue letters of credit as performance security related to these construction projects. To accommodate the issuance of letters of credit, the Company has lines of credit of $131.5 million. The letters of credit are supported by the hypothecation of certain financial instruments owned by the Company.

The following table outlines the amount of credit available under the lines of credit, the amount of letters of credit issued under the bank facility and the value of Company owned financial instruments pledged as collateral against the outstanding letters of credit at March 31, 2011, March 31, 2010 and December 31, 2010.

(thousands of dollars)		March 31, 2011		March 31, 2010		December 31, 2010
Operating Line of Credit	$	131,500	$	51,500	$	131,500
Letters of Credit Issued	$	43,389	$	15,571	$	43,159
Collateral Pledged to support letters of credit	$	51,581	$	32,772	$	50,456

Liquidity

The absence of any long-term debt and a high proportion of working capital represented by cash and other liquid securities will enable the Company to meet its obligations as they become due. The amount of equity retained in the business supports the Company's strategic objectives including active participation in the PPP infrastructure market, while also providing the Company with sufficient financial capacity to withstand a downturn in the construction industry should it occur.

Financial Position

The following table provides an overview of the Company's financial position for the period indicated.

		March 31, 2011		December 31, 2010
Financial Position Data				
Cash and cash equivalents	$	201,461	$	217,441
Investment in marketable securities		25,041		29,375
Working capital		135,727		137,130
Shareholder/Unitholders' equity		157,794		160,640

As a component of working capital, the Company maintains significant balances of cash and cash equivalents and investments in liquid securities. At March 31, 2011, these balances consisted of $201.5 million of cash and cash equivalents and $25.0 million of liquid securities for a total of $226.5 million. The $226.5 million is comprised of the Company's $135.7 million of working capital plus a working cash balance of $83.8 million, which offsets a corresponding non-cash net current liability position and $7.0 million of cash held to finance the current dividend payable. These components are summarized in the following table for March 31, 2011 and March 31, 2010.

Working Capital Components

(thousands of dollars)		March 31, 2011		March 31, 2010
Investment in marketable securities (bonds and preferred shares)	$	25,041	$	25,667
Cash and cash equivalents held for working capital		110,686		106,905
		135,727		132,572
Cash held for distributions payable		6,955		2,108
Distributions payable		(6,955)		(2,108)
Working cash		83,820		77,467
Non-cash net current liabilities		(83,820)		(77,467)
Working capital	$	135,727	$	132,572

The Company's non-cash net current liability position fluctuates significantly in the normal course of business from period to period, primarily due to the timing of differences between the settlement of payables due to subcontractors and suppliers and billings and collection of accounts receivable from clients and also the timing of settlement of income taxes payable. The working cash balance absorbs these fluctuations with no net impact of the Company's net working capital position or ability to access surety support.

Cash Flow Data

The following table provides an overview of cash flows during the periods indicated:

(thousands of dollars)	Three months ended March 31 2011		2010	
Cash Flow Data				
Operating activities	$	(17,012)	$	3,256
Investing activities		3,140		(14,216)
Financing activities		(2,108)		(6,323)
Increase/decrease in cash and cash equivalents	$	(15,980)	$	(17,283)

Operating Activities

During the three months ended March 31, 2011, the Company used cash in operating activities of $17.0 million. This was comprised of $6.2 million of cash provided by earnings net of non-cash charges to earnings and $23.2 million of cash used to fund an increase in the Company's non-cash working capital position, which represented a normal course fluctuation in the Company's net current liability position. In some periods, this fluctuation will be a use of cash, as in the current period, but in other periods, it will be a source of cash, tending to balance out over time and having no net impact on the Company's working capital.

Investing Activities

In the first quarter of 2011, the Company generated $3.1 million of cash from investing activities compared with a use of $14.2 million in 2010. The fluctuation in the level of activity reflects management's decision made in 2010 to invest some of its cash balances in high quality, short-term corporate bonds to increase the amount of interest income earned on working capital compared with that earned by investing in money market securities. In 2011, investing activity was a source of cash because the Company received proceeds from corporate bonds that matured during the quarter.

Financing Activities

In the first quarter of 2011 financing activities used $2.1 million of cash to fund distributions declared by the Company's predecessor, Bird Construction Income Fund, while in 2010, the comparable balance was $6.3 million, representing monthly distributions paid by the Fund in that prior quarter.

DIVIDENDS AND DISTRIBUTIONS:

The Company intends to declare monthly dividends of $0.055 per common share payable on or about the 20th of the month following the month in which the dividend was declared. The following table outlines the historical dividend/distribution history.

Dividends and Distributions Declared per Share/Unit

January 1, 2010 to March 31, 2010	$0.450
April 1, 2010 to June 30, 2010	$0.450
July 1, 2010 to September 30, 2010	$0.450
October 1, 2010 to December 31, 2010	$0.450
January 1, 2011 to March 31, 2011	$0.495
April 1, 2011 to June 30, 2011 (1)	$0.165

(1) Adjusted for the April 2011 three-for one stock split.

CAPABILITY TO DELIVER RESULTS:

Productive capacity relates to the financial and non-financial resources available to the Company to execute its strategy and achieve planned results. From a financial perspective, the Company believes it has sufficient working capital to execute its current operational and growth objectives. The belief is fully explained in sections of this MD&A dealing with financial condition and liquidity.

In addition to financial capacity, the success of the Company is very much dependent upon the management and leadership skills of senior management. The Company prides itself in maintaining a stable workforce. As well, on an annual basis, high-performing candidates are identified for training and progression into more senior critical positions within the Company. The Company's performance management system emphasizes the development of leadership skills. In addition, the Company sponsors internal and external training programs and has more recently launched a leadership program to provide a forum for high potential candidates to develop their leadership skills.

CONTRACTUAL OBLIGATIONS:

The Company has future minimum annual lease payment obligations relating to the lease commitments on buildings and equipment over the next five years ending March 31 and thereafter, as follows:

(thousands of dollars)		Operating Leases
2011 (nine months)	$	1,772
2012		1,947
2013		1,439
2014		450
2015		75
Thereafter		1
	$	5,684

OFF BALANCE SHEET ARRANGEMENTS:

The Company has not engaged in any off balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES:

The accounting principles used by the Company to account for its construction contracts involve the use of estimates.

Construction revenue, construction costs, deferred contract revenue and costs and estimated earnings in excess of billings include amounts that are derived using the percentage of completion basis. Percentage of completion is calculated based on the costs incurred on each construction contract to the end of the respective accounting period divided by the total estimated costs. Any excess of progress billings over earned revenue determined using the percentage of completion method are carried as deferred revenue in the consolidated financial statements. Any excess of cost and estimated earnings over progress billings on construction contracts are carried as costs and estimated earnings in excess of billings in the consolidated financial statements.

Revenue and estimated costs to complete for each contract are updated and reviewed by management at least once each financial reporting period. In making such estimates, judgments are required to evaluate issues related to scheduling, material costs, labour costs, labour productivity, changes in contract scope and subcontractor costs. Due to the nature of construction contracts, estimates may change significantly from one accounting period to the next.

Construction contracts typically extend over several quarters and sometimes over several years. For purposes of quarterly financial reporting, the Company must estimate the cost required to complete each contract to assess the amount of revenue to be recognized for the quarter. Such estimating includes contingencies to allow for certain known and unknown risks. The magnitude of the contingencies will depend on the nature and complexity of the work to be performed. As the contract progresses and the remaining costs to be incurred and risk exposures become more certain, contingencies will typically decline although certain risks will remain until the contract has been completed, and even beyond. As a result of this, earnings may fluctuate significantly from quarter to quarter, depending on whether large and/or complex contracts are completing or nearing completion during the quarter, or have been completed in immediately prior quarters.

The value of many construction contracts increases over the duration of the construction period due to the issue of change orders to modify the original contract scope of work or conditions. Construction work related to a change order may proceed, and costs may be incurred, in advance of final determination of the value of the change order. Revenue on change orders is recognized by the Company to the extent that management estimates that realization is probable. As many change orders are settled at the end of the construction project, significant increases or decreases in revenue and income may arise during any particular accounting period.

Provisions for accounts receivable may require an assessment and estimate of the credit-worthiness of the client and the timing of collection. Furthermore, provisions for litigation involve the use of estimates, as determined by management. Amounts arising from negotiated settlements or court judgments may vary significantly from management's estimate. Similarly, the estimate for warranty claims may differ significantly from actual experience. These adjustments will also impact on the amount of profit recognized in a reporting period.

OUTSTANDING COMMON SHARE DATA AND STOCK EXCHANGE LISTING:

The Company is authorized to issue an unlimited number of common shares. The Company had a total of 14,051,282 common shares outstanding at March 31, 2011. On January 1, 2011, the Fund, the predecessor to the Company, converted from a publicly-traded income trust structure to a publicly-traded corporation pursuant to a Plan of Arrangement approved by the unitholders and the Courts. Under the Plan of Arrangement, each income trust unit was exchanged for one common share of the Company.

The common shares are listed on the Toronto Stock Exchange ("TSX") under the trading symbol BDT.

On March 3, 2011, the Board of Directors approved a three-for-one stock split accomplished by way of a stock dividend. Each shareholder of record on April 14, 2011 received two common shares for each common share held on the record date. The stock dividend was paid on April 22, 2011. Accordingly, on June 2, 2011, the Company has 42,153,846 outstanding common shares.

CONTROLS AND PROCEDURES:

Disclosure Controls and Procedures

Based on their evaluations as of March 31, 2011, the President and Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have concluded that the Company's disclosure controls and procedures are effective in providing reasonable assurance that information relating to the Company which is required to be disclosed in reports filed under provincial and territorial securities legislation is accumulated, summarized and communicated to the Company's senior management, including the CEO and the CFO of the Company, as appropriate, to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

The Company's management is responsible for designing and maintaining adequate internal control over financial reporting for the Company. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

As of March 31, 2011, under the supervision of and with the participation of management, including the CEO and CFO, internal controls over financial reporting have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with IFRS.

There have been no material changes in the Company's internal control over financial reporting during the three months ended March 31, 2011 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISKS RELATING TO THE BUSINESS:

The following discussion addresses the more significant risk factors relating to the business. For a detailed discussion of all risk factors relating to the business, refer to the Company's most recently filed Annual Information Form which is available through the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Economy and Cyclicality

Activity within the construction industry is tied to the general state of the economy. Thus, in periods of strong economic growth, capital spending will generally increase and there will be more and better quality opportunities available within the construction industry. Bird attempts to insulate itself in various ways from the effects of negative economic conditions through a combination of geographic diversity and providing construction services to a wide range of commercial, industrial and institutional customers. However, there is no assurance that these methods will be effective in insulating Bird from a downturn in the economy.

Competitive Factors

Bird competes with many international, national, regional and local construction firms, who often enjoy advantages in a particular market that Bird does not have or they may have more experience or a better relationship with a particular client. On any given contract bid or negotiation, Bird will attempt to assess the level of competitive pressure it may face and it will attempt to neutralize or overcome any perceived advantage that its competitors may have. Depending on this assessment, Bird will decide whether or not to pursue a contract. In addition, this assessment bears directly on decisions that Bird will make including what level of profit can be incorporated in its contract price and what personnel should be assigned to the contract. The accuracy of this assessment and the ability of Bird to respond to competitive factors affect Bird's success in securing new contracts and its profitability on contracts that it does secure.

Ability to Secure Work

Bird generally secures new contracts either through a competitive bid process or through negotiation. Awards in both the public and private sectors are generally based upon price, but are also influenced by factors such as perceived level of services offered, construction schedule, project personnel, the make-up of the subcontractor team, prior experience with the prospective client and the type of project and the ability to provide bonds and other contract security. In order to be afforded an opportunity to bid for projects in the PPP contract market, a strong balance sheet measured in terms of an adequate level of working capital is typically required.

A decline in demand for Bird's services from the private sector could have an adverse impact on the Company if that business could not be replaced within the public sector. Any reduction in demand for Bird's services by the public sector, whether as a result of funding constraints, changing political priorities or delays in projects caused by political circumstances including elections, could have an adverse impact on the Company if that business could not be replaced within the private sector.

Estimating Costs/Assessing Contract Risks

The contract price for a significant number of contracts performed by Bird is based, in part, on cost estimates that are subject to a number of assumptions. Erroneous assumptions can result in an incorrect assessment of risks associated with the contract, or its estimates of the project costs may be in error resulting in a loss or lower than anticipated profit. All significant cost estimates are reviewed by senior management prior to submission.

Performance of Subcontractors

Successful completion of a contract by Bird depends, to a significant degree, on the satisfactory performance of subcontractors who are engaged to complete the various components of the work. If subcontractors fail to satisfactorily perform their portion of the work, Bird may be required to engage alternative subcontractors to complete the work and may incur additional costs. This can result in reduced profits, or, in some cases, significant losses on the contract and could also damage the reputation of the Company. In addition, the ability of Bird to bid for and successfully complete projects is, in part, dependent on the availability of qualified subcontractors and trades people. Depending on the value of the subcontract, Bird may require surety bonds or other security from the subcontractor in order to mitigate this risk. Bird closely monitors all subcontractors and trades person capacity concerns in order to mitigate any effect on operations. To the extent possible, Bird will also allocate work to a number of qualifying subcontractors to minimize its economic dependency on any one subcontractor.

Maintaining Safe Work Sites

In spite of the best efforts of Bird to minimize the risk of incidents, incidents do happen. When they do, the impact on Bird can be significant. Bird's success as a general contractor is highly dependent on its ability to keep its construction worksites and offices safe. Failure to do so can have serious impact on the personal safety of its employees and others. In addition, it can expose Bird to fines, regulatory sanction and even criminal prosecution. Bird's safety record and worksite and office safety practices also have a direct bearing on its ability to secure work, particularly in the industrial sector. Certain clients, will not engage particular contractors to perform their work if their safety practices do not conform to predetermined standards or if the contractor has an unacceptably high incidence of safety infractions. Bird adheres to very rigorous safety policies and procedures which are continually reinforced on its work sites and offices.

Ability to Hire and Retain Qualified and Capable Personnel

The success of Bird is highly influenced by the efforts of key members of management, including its executive officers and branch managers. The loss of the services of any of Bird's key management personnel could negatively impact Bird. The future success of Bird also depends heavily on its ability to attract, retain and develop high-performing personnel in all areas of its operations. Most firms throughout the construction industry face this challenge, and accordingly, competition for professional staff is intense. If Bird ceases to be seen by current and prospective employees as a highly attractive place to work, it could experience difficulty in hiring and retaining the right people. This could have an adverse effect on current operations of Bird and would limit its prospects and impair its future success. Bird adheres to a performance management process whereby objectives are established for every employee for the next year and a performance review is completed at least on an annual basis. Bird sponsors both inside and outside training programs to allow its employees the opportunity to advance their career at Bird. Management also updates its succession plan regularly to ensure a continuous supply of qualified candidates are available to perform more senior level positions within the Company.

TERMINOLOGY:

Throughout this report, management uses the following terms not found in GAAP Standards and which do not have a standardized meaning and therefore require definition:

- **"Gross Profit Percentage"** is the percentage derived by dividing gross profit by construction revenue. Gross profit is calculated by subtracting construction costs from construction revenue.

- **"Backlog"** (also referred to in the construction industry as "work on hand") is the total value of all contracts awarded to the Company, less the total value of work completed on these contracts as of the date of the most recently completed quarter. This includes all contracts that have been awarded to the Company whether the work has commenced or will commence in the normal course.

FORWARD LOOKING INFORMATION:

Certain statements included herein which express management's expectations or estimates of future performance may constitute "forward-looking statements". The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", and similar expressions identify forward-looking statements.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. In particular, this MD&A includes many such forward-looking statements and the Company cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the Company to be materially different from the Company's estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise.