

Management's Discussion and Analysis

November 4, 2015

This discussion and analysis of Stantec Inc.'s (Stantec or the Company) operations, financial position, and cash flows for the quarter ended September 30, 2015, dated November 4, 2015, should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and related notes for the quarter ended September 30, 2015; the Management's Discussion and Analysis and audited consolidated financial statements and related notes included in our 2014 Annual Report; and the Report to Shareholders contained in our 2015 Third Quarter Report. Our unaudited interim consolidated financial statements and related notes for the quarter ended September 30, 2015, are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). We continue to use the same accounting policies and methods as we used in 2014.

All amounts shown in this report are in Canadian dollars unless otherwise indicated. All comparative share capital, earnings per share, dividends per share, and share-based payment transaction information have been adjusted for amounts previously reported for the two-for-one share split that occurred on November 14, 2014.

Additional information regarding our Company, including our Annual Information Form, is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. Such additional information is not incorporated here by reference, unless otherwise specified, and should not be deemed to be made part of this Management's Discussion and Analysis.

Core Business and Strategy

Our Company provides professional consulting services—in planning, engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, project management, and project economics—for infrastructure and facilities projects. By integrating our expertise in these areas across North American and international locations, we are able to provide our clients with a vast number of project solutions. We believe this integrated approach enables us to execute our operating philosophy by maintaining a world-class level of expertise, which we supply to our clients through the strength of our local offices. Through multidiscipline service delivery, we also support clients throughout the project life cycle—from the initial conceptual planning to project completion and beyond.

Our business objective is to be a top 10 global design firm, and our focus is to provide professional services in the infrastructure and facilities market, principally on a fee-for-service basis, while participating in various models of alternative project delivery. To realize our business objective, we plan on achieving a compound average growth rate of 15% through a combination of organic and acquisition growth, while also providing dividend returns for our shareholders. Our core business and strategy and the key performance drivers and capabilities required to meet our business objective have not changed in the third quarter of 2015 from those described on pages M-3 to M-14 of our 2014 Annual Report and are incorporated here by reference.

Results

Overall Performance

Highlights for Q3 15

We had solid performance in the third quarter of 2015, particularly in our Buildings and Infrastructure business operating units—which make up 65% of our Company’s gross revenue year to date. The results continue to demonstrate the strength of our diversified business model. Comparing the third quarter in 2014 to the same period in 2015, our gross revenue increased 11.3%—from \$674.7 to \$750.8 million; EBITDA increased 9.4%—from \$85.4 to \$93.4 million; net income increased 2.9%—from \$48.6 to \$50.0 million; and diluted earnings per share increased 3.9%—from \$0.51 to \$0.53.

Our results were positively impacted by an increase in gross revenue due to acquisitions completed in 2014 and 2015 and the impact of foreign exchange rates on revenue earned by our US subsidiaries. For our business operating units in Q3 15 compared to Q3 14, organic revenue had strong growth in Infrastructure, moderate growth in Buildings, and retracted in Energy & Resources. This retraction, which impacted both our Canadian and US operations, resulted mainly from the continued decline in our Oil & Gas sector. This sector represented approximately 25% of our Company’s overall gross annual revenue in 2014 and now represents 15% year to date in 2015. This change will reduce the impact of our exposure to further potential decline in this industry. To effectively manage our business during this rapid and significant retraction, we adjusted staff levels, integrated firms, maintained strong client relationships—and still met or exceeded our targeted performance margins (shown on page M-4).

Our gross margin decreased slightly—from 54.7% in Q3 14 to 54.5% in Q3 15. Our administrative and marketing expenses as a percentage of net revenue increased slightly—from 39.3% in Q3 14 to 39.4% in Q3 15. Our net income in Q3 15 was impacted by an increase in the amortization of intangible assets, which was primarily due to additional intangible backlog and client relationships from some of the acquisitions completed in 2015 and 2014.

The following table summarizes key financial data for Q3 15 and Q3 14 and the first three quarters of 2015 and 2014:

<i>(In millions of Canadian dollars, except per share amounts and %)</i>	Quarter Ended September 30				Three Quarters Ended September 30			
	2015	2014	\$ Change	% Change	2015	2014	\$ Change	% Change
Gross revenue <i>(note 1)</i>	750.8	674.7	76.1	11.3%	2,166.8	1,882.4	284.4	15.1%
Net revenue <i>(note 1)</i>	620.1	544.2	75.9	13.9%	1,806.3	1,555.7	250.6	16.1%
EBITDA <i>(note 2)</i>	93.4	85.4	8.0	9.4%	251.7	225.6	26.1	11.6%
Net income	50.0	48.6	1.4	2.9%	131.1	126.4	4.7	3.7%
Earnings per share – basic <i>(note 3)</i>	0.53	0.52	0.01	1.9%	1.39	1.35	0.04	3.0%
Earnings per share – diluted <i>(note 3)</i>	0.53	0.51	0.02	3.9%	1.39	1.34	0.05	3.7%
Cash dividends declared per common share <i>(note 3)</i>	0.1050	0.0925	0.0125	13.5%	0.3150	0.2775	0.0375	13.5%
Cash flows								
From operating activities	84.1	96.5	(12.4)	n/m	56.4	111.5	(55.1)	n/m
Used in investing activities	(28.6)	(34.6)	6.0	n/m	(190.5)	(148.4)	(42.1)	n/m
(Used in) from financing activities	(19.5)	(94.6)	75.1	n/m	31.5	(21.0)	52.5	n/m

n/m = not meaningful

note 1: Gross revenue and net revenue are additional IFRS measures as discussed in the Definition of Additional IFRS Measures and Non-IFRS Measures in the Critical Accounting Estimates, Developments, and Measures section (the “Definitions section”) of our 2014 Annual Report. The Definitions section is incorporated here by reference.

note 2: EBITDA is a non-IFRS measure and is calculated as income before income taxes, plus net interest expense, amortization of intangible assets, and depreciation of property and equipment, as further discussed in the Definitions section of our 2014 Annual Report.

note 3: All comparative earnings per share and dividends per share amounts have been adjusted from previously reported amounts for the two-for-one share split that occurred on November 14, 2014.

The following highlights our key activities and initiatives undertaken in the quarter ended September 30, 2015:

- We achieved strong organic revenue growth of 6.0% in our Infrastructure business operating unit. This growth was in all Infrastructure sectors, with strong growth in our Canadian and US Water, US Transportation, and US Community Development sectors. Organic revenue growth in our Buildings business operating unit was 3.4% in Q3 15 compared to Q3 14, with strong growth in our Canadian and International regions; and stability in the United States.
- Our Energy & Resources business operating unit had 24.1% organic revenue retraction during Q3 15 compared to Q3 14. The retraction was mainly a result of challenging economic conditions in our Oil & Gas and Mining sectors.
- On July 10, 2015, we acquired certain assets and liabilities, and the business of VI Engineering, LLC (VI Engineering), adding 30 staff to our Company. VI Engineering is a power and electrical engineering firm based in Houston, Texas. It provides specialized engineering, design, analysis, and project management of high-voltage substations, transmission lines, and electric power systems. This addition further enhances our Power practice in the United States.
- On August 28, 2015, we acquired certain assets and liabilities, and the business of VA Consulting, Inc. (VA Consulting), adding 60 staff to our Company. VA Consulting is a community development, transportation,

and water engineering firm headquartered in Irvine, California, with operations throughout southern California and in parts of Arizona. It provides services in architecture, engineering, planning, and environmental consulting. This addition expands the Company's Infrastructure business operating unit in the United States.

- We declared and paid a cash dividend of \$0.105 per share to shareholders of record on September 30, 2015, an increase of 13.5% from last year. Additionally, on November 4, 2015, we declared a dividend of \$0.105 per share, payable on January 14, 2016, to shareholders of record on December 31, 2015.

Results Compared to 2015 Targets

In the Management's Discussion and Analysis in our 2014 Annual Report, we established various ranges of expected performance for fiscal year 2015. The following table indicates our progress toward these targets:

Measure	2015 Target Range	Actual Q3 15 YTD Results Achieved	
Gross margin as % of net revenue	Between 54% and 56%	54.6%	✓
Administrative and marketing expenses as % of net revenue	Between 40% and 42%	41.0%	✓
EBITDA as % of net revenue (notes 1 and 4)	Between 13% and 15%	13.9%	✓
Net income as % of net revenue	At or above 6%	7.3%	✓
Return on equity (notes 2 and 4)	At or above 14%	14.7%	✓
Net debt to EBITDA (notes 1,3, and 4)	Below 2.5	1.04	✓

This table and the discussion paragraph below contain forward-looking statements. See the Caution Regarding Forward-Looking Statements section of this Management's Discussion and Analysis.

note 1: EBITDA as a percentage of net revenue is calculated as EBITDA divided by net revenue. EBITDA is calculated as income before income taxes, plus net interest expense, amortization of intangible assets, and depreciation of property and equipment.

note 2: Return on equity is calculated as net income for the last four quarters, divided by the average shareholders' equity over each of the last four quarters.

note 3: Net debt to EBITDA is calculated as the sum of (1) long-term debt, including current portion, plus bank indebtedness, less cash and cash equivalents, and cash in escrow, divided by (2) EBITDA for the last four quarters.

note 4: Return on equity, EBITDA as a percentage of net revenue, and net debt to EBITDA are non-IFRS measures (discussed in the Definitions section of our 2014 Annual Report).

✓ *Met or performed better than target.*

We met all targets at the end of Q3 15.

Results of Operations

Our Company operates in one reportable segment—Consulting Services. We provide knowledge-based solutions for infrastructure and facilities projects through value-added professional services, principally under fee-for-service agreements with clients.

The following table summarizes key operating results as a percentage of net revenue and the percentage increase or decrease in the dollar amount for each key operating result:

	Quarter Ended Sept 30			Three Quarters Ended Sept 30		
	Percentage of		Percentage	Percentage of		Percentage
	Net Revenue	2014	Increase (Decrease) *	Net Revenue	2014	Increase (Decrease) *
	2015	2014	2015 vs. 2014	2015	2014	2015 vs. 2014
Gross revenue	121.1%	124.0%	11.3%	120.0%	121.0%	15.1%
Net revenue	100.0%	100.0%	13.9%	100.0%	100.0%	16.1%
Direct payroll costs	45.5%	45.3%	14.5%	45.4%	45.4%	16.2%
Gross margin	54.5%	54.7%	13.5%	54.6%	54.6%	16.0%
Administrative and marketing expenses	39.4%	39.3%	14.2%	41.0%	40.2%	18.4%
Depreciation of property and equipment	1.9%	1.8%	18.4%	1.9%	1.8%	20.9%
Amortization of intangible assets	1.6%	1.1%	67.2%	1.6%	1.1%	68.2%
Net interest expense	0.4%	0.4%	12.5%	0.5%	0.4%	34.4%
Other net finance expense	0.1%	0.2%	n/m	0.1%	0.1%	n/m
Share of income from joint ventures and associates	(0.1%)	(0.1%)	0.0%	(0.1%)	(0.1%)	(11.1%)
Foreign exchange loss	0.0%	0.0%	n/m	0.0%	0.0%	n/m
Other income (expense)	0.0%	(0.3%)	n/m	(0.4%)	(0.1%)	n/m
Income before income taxes	11.2%	12.3%	2.8%	10.0%	11.2%	3.7%
Income taxes	3.1%	3.4%	2.7%	2.7%	3.1%	3.5%
Net income	8.1%	8.9%	2.9%	7.3%	8.1%	3.7%

n/m = not meaningful

* Percentage increase (decrease) calculated based on the dollar change from the comparable period.

The following sections outline specific factors that affected the results of our operations in the third quarter of 2015 and should be read in conjunction with our unaudited interim consolidated financial statements for the quarter ended September 30, 2015.

Gross and Net Revenue

While providing professional services, we incur certain direct costs for subconsultants, equipment, and other expenditures that are recoverable directly from our clients. Revenue associated with these direct costs is included in gross revenue. Because these direct costs and associated revenue can vary significantly from contract to contract, changes in gross revenue may not be indicative of our revenue trends. Accordingly, we also report net revenue (which is gross revenue less subconsultant and other direct expenses) and analyze results in relation to net revenue rather than gross revenue.

Revenue earned by acquired companies in the first 12 months following acquisition is initially reported as revenue from acquisitions and thereafter reported as organic revenue.

All business operating units generate a portion of gross revenue in the United States. The value of the Canadian dollar averaged US\$0.76 in Q3 15 compared to US\$0.92 in Q3 14, representing a 17.4% decrease. The weakening Canadian dollar had a positive effect on the revenue reported in Q3 15 compared to Q3 14. Fluctuations in other foreign currencies did not have a material impact on our revenue.

Our contract backlog grew from \$1.8 billion at December 31, 2014, to \$2.1 billion at the end of Q3 15 and grew \$0.1 billion from Q2 15 to Q3 15. (Backlog is a non-IFRS measure further discussed in the Definitions section of our 2014 Annual Report.) This increase was the result of recent project wins, fluctuations in foreign exchange, and acquisitions completed in the first three quarters of 2015. We define backlog as the total value of secured work that has not yet been completed where we have an executed contract and a notice to proceed on the contract. Only approximately the first 12 to 18 months of the total value of secured work for a project is included in work backlog.

The following tables summarize the impact of acquisitions, organic growth, and foreign exchange on our gross and net revenue:

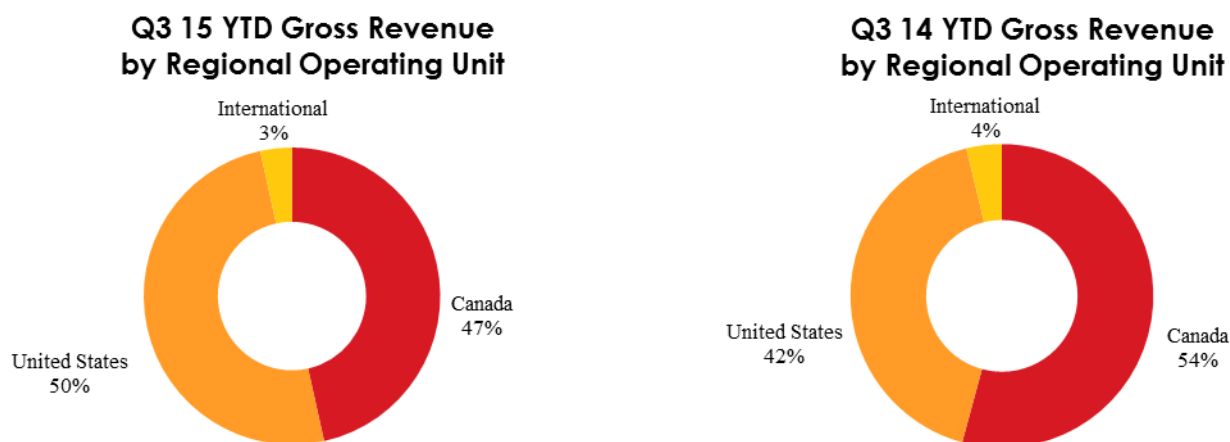
Gross Revenue <i>(In millions of Canadian dollars)</i>	Quarter Ended Sept 30 2015 vs. 2014	Three Quarters Ended Sept 30 2015 vs. 2014
Increase (decrease) due to		
Acquisition growth	63.8	248.5
Organic retraction	(53.6)	(97.7)
Impact of foreign exchange rates on revenue earned by foreign subsidiaries	65.9	133.6
Total net increase in gross revenue	76.1	284.4

Net Revenue <i>(In millions of Canadian dollars)</i>	Quarter Ended Sept 30 2015 vs. 2014	Three Quarters Ended Sept 30 2015 vs. 2014
Increase (decrease) due to		
Acquisition growth	55.4	207.3
Organic retraction	(29.5)	(61.5)
Impact of foreign exchange rates on revenue earned by foreign subsidiaries	50.0	104.8
Total net increase in net revenue	75.9	250.6

Acquisition growth resulted from the acquisitions listed in the Gross Revenue by Region and the Gross Revenue by Business Operating Unit sections that follow. We experienced increases in organic gross revenue in Q3 15 compared to Q3 14 in our Buildings and Infrastructure business operating units. These increases were offset by a retraction in organic gross revenue in our Energy & Resources business operating unit.

Gross Revenue by Region

The following charts and tables summarize gross revenue and gross revenue growth in our three regional operating units—Canada, United States, and International:



Gross Revenue by Regional Operating Unit

<i>(In millions of Canadian dollars)</i>	Quarter Ended Sept 30, 2015	Quarter Ended Sept 30, 2014	Total Change	Change Due to Acquisitions	Change Due to Organic Growth (Retraction)	Change Due to Foreign Exchange
Canada	337.3	352.8	(15.5)	35.5	(51.0)	n/a
United States	389.8	299.7	90.1	28.3	0.3	61.5
International	23.7	22.2	1.5	-	(2.9)	4.4
Total	750.8	674.7	76.1	63.8	(53.6)	65.9

n/a = not applicable

<i>(In millions of Canadian dollars)</i>	Three Quarters Ended Sept 30, 2015	Three Quarters Ended Sept 30, 2014	Total Change	Change Due to Acquisitions	Change Due to Organic Growth (Retraction)	Change Due to Foreign Exchange
Canada	1,008.0	1,020.7	(12.7)	101.2	(113.9)	n/a
United States	1,084.5	790.9	293.6	147.3	22.1	124.2
International	74.3	70.8	3.5	-	(5.9)	9.4
Total	2,166.8	1,882.4	284.4	248.5	(97.7)	133.6

n/a = not applicable

Total gross revenue was positively impacted by the acquisitions completed in 2014 and 2015, and by the weakening Canadian dollar in Q3 15 compared to Q3 14; and was partly offset by organic revenue retraction, primarily in Canada.

Following are the acquisitions completed in 2014 and 2015 that impacted specific regions year to date:

Canada

- Canadian engineering operations of Dessau Inc., 9073-4195 Quebec Inc., and Azimuth Services (Central) Inc. (collectively Dessau) (January 2015)

United States

- Williamsburg Environmental Group, Inc. and Cultural Resources, Inc. (WEG) (January 2014)
- Processes Unlimited International, Inc. (ProU) (March 2014)
- JBR Environmental Consultants, Inc. (JBR) (May 2014)
- Group Affiliates Inc. (SHW) (May 2014)
- Wiley Engineering, Inc. (Wiley) (June 2014)
- USKH Inc. (USKH) (June 2014)
- ADD Inc. (September 2014)
- Penfield & Smith Engineers, Inc. (Penfield & Smith) (October 2014)
- Sparling, Inc. (Sparling) (February 2015)
- VI Engineering, LLC (VI Engineering) (July 2015)
- VA Consulting, Inc. (VA Consulting) (August 2015)

Canada

Gross revenue from our Canadian operations decreased 4.4% in Q3 15 compared to Q3 14 and decreased 1.2% year to date in 2015 compared to 2014. The \$101.2 million in acquisition growth year to date that related to the Dessau acquisition was split between our three business operating units: approximately 23% in Buildings, 31% in Energy & Resources, and 46% in Infrastructure. Organic gross revenue retracted 14.5% in Q3 15 compared to Q3 14 and retracted 11.2% year to date in 2015 compared to 2014. The retraction in Q3 15 compared to Q3 14 was mainly a result of the decline in our Oil & Gas and Mining sectors within our Energy & Resources business operating unit. This was partly offset by strong organic growth in our Buildings and Infrastructure business operating units.

We continued to see a significant retraction in the Energy & Resources business operating unit in Canada in the first three quarters of 2015 compared to the same period in 2014. This was primarily due to the weakening and volatility of commodity prices that continued into the third quarter, particularly in the oil and gas industry where clients curtailed their spending. The downturn in market conditions has also affected our Environmental Services; however, the effect was less severe because approximately half of our Environmental Services work is outside of the oil and gas industry and that work continues to be stable. By maintaining strong client relationships, we continued to win a stream of generally smaller projects, but we did this at a slower rate as the sector faced increased competition and pricing pressures. Power has also retracted organically as a result of curbed spending by oil and gas clients. As well, investments were curtailed in thermal generation projects because of a flattened demand for power. The Mining sector continues to experience challenges due to macroeconomic conditions and continued to retract in the quarter, although we experienced year-to-date organic gross revenue growth due to the recognition of fees in Q1 15 for obtaining certain performance metrics on a major project.

All sectors in our Infrastructure business operating unit experienced strong organic gross revenue growth year to date. Our Water and Transportation sectors were supported by stable funding in the public sector; activity in our Water sector continued to be driven by municipal investments in water and wastewater infrastructure as well as by work associated with surface water resources and flood control, mitigation, and restoration. Community Development continued to have organic revenue growth year to date and in Q3 15, despite the weakening outlook in Alberta for residential development resulting from curtailed oil and gas activity.

The public-private partnership (P3) model remained active in Canada, particularly in Ontario and the western provinces. P3s continue to be considered at the municipal level and continue to branch into nontraditional sectors. We remain active and continue to secure projects in P3s because of our experience and expertise in this delivery model.

United States

Gross revenue in our US operations increased 30.1% in Q3 15 compared to Q3 14 and 37.1% year to date in 2015 compared to 2014. These increases were due to strategic acquisition growth and the impact of foreign exchange due to the US dollar strengthening compared to the Canadian dollar. Organic revenue was stable in Q3 15 compared to Q3 14 and grew 2.8% year to date in 2015 compared to 2014. Year-to-date our business operating units had strong organic growth in Infrastructure, was stable in Buildings, and retracted in Energy & Resources.

In the private sector, the housing market is continuing to show steady growth, specifically in Florida and the western United States. As a result, we experienced increased year-to-date activity in our urban planning and design services. Our Buildings business operating unit is supported by our expanded architectural presence due to recent acquisitions and work in the healthcare sector, as well as by increased activity in the biopharmaceutical sector. Expanding our existing client relationships and capitalizing on our expertise in environmental mitigation resulted in strong growth. Our Environmental Services continued to build on its remediation and recovery expertise.

The public sector is still characterized by uncertainty in the political and regulatory environment, notably at the federal level. Partly in response to fiscal constraints, design-build opportunities have increased in the United States. Although a backlog of work exists within the transportation market, public sector budgets remain tight and funding of the Federal Highway and Transportation Program is uncertain. Despite this uncertainty, organic revenue increased in our Transportation sector in the quarter and year to date in 2015 compared to 2014. Environmental Protection Agency (EPA) regulations have provided opportunities with our Power clients; transmission and distribution opportunities still remain steady.

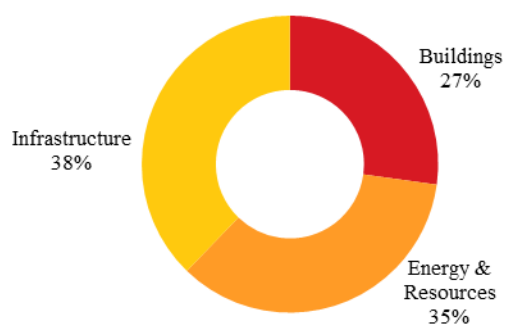
International

Gross revenue from our International operations increased 6.8% in Q3 15 compared to Q3 14 and 4.9 % year to date in 2015 compared to 2014. This increase resulted from the strengthening of foreign currencies compared to the Canadian dollar and from organic growth in our Buildings business operating unit due primarily to healthcare projects secured in the Middle East. These year-to-date increases in 2015 compared to 2014 were offset by a retraction in organic gross revenue in our Mining sector as a result of global market conditions and a retraction in our Community Development sector.

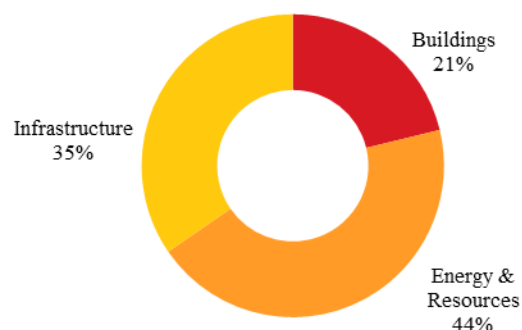
Gross Revenue by Business Operating Unit

The following charts and tables summarize gross revenue and gross revenue growth in our three business operating units—Buildings, Energy & Resources, and Infrastructure:

**Q3 15 YTD Gross Revenue
by Business Operating Unit**



**Q3 14 YTD Gross Revenue
by Business Operating Unit**



Gross Revenue by Business Operating Unit

Quarter Ended Sept 30

(In millions of Canadian dollars, except %)	% of Consulting Services		% of Consulting Services		% Change in Gross Revenue 2015 vs. 2014
	2015	Gross Revenue	2014	Gross Revenue	
Buildings	190.6	25.4%	144.0	21.3%	32.4%
Energy & Resources	263.0	35.0%	300.2	44.5%	(12.4%)
Infrastructure	297.2	39.6%	230.5	34.2%	28.9%
Total	750.8	100.0%	674.7	100.0%	11.3%

Note: Comparative figures have been reclassified due to a realignment of several business lines between our Buildings, Energy & Resources, and Infrastructure business operating units.

Three Quarters Ended Sept 30

(In millions of Canadian dollars, except %)	% of Consulting Services		% of Consulting Services		% Change in Gross Revenue 2015 vs. 2014
	2015	Gross Revenue	2014	Gross Revenue	
Buildings	573.5	26.5%	399.2	21.2%	43.7%
Energy & Resources	767.0	35.4%	831.9	44.2%	(7.8%)
Infrastructure	826.3	38.1%	651.3	34.6%	26.9%
Total	2,166.8	100.0%	1,882.4	100.0%	15.1%

Note: Comparative figures have been reclassified due to a realignment of several business lines between our Buildings, Energy & Resources, and Infrastructure business operating units.

As indicated above, gross revenue growth was impacted by acquisitions, organic revenue retraction, and the effect of foreign exchange rates on revenue earned by our foreign subsidiaries. The impact that these factors had on gross revenue earned by each business operating unit is summarized in the following tables:

Gross Revenue by Business Operating Unit

Quarter Ended Sept 30, 2015 vs. 2014

<i>(In millions of Canadian dollars)</i>	Total Change	Change Due to Acquisitions	Change Due to Organic Growth (Retraction)	Change Due to Foreign Exchange
Buildings	46.6	26.0	4.9	15.7
Energy & Resources	(37.2)	14.5	(72.4)	20.7
Infrastructure	66.7	23.3	13.9	29.5
Total	76.1	63.8	(53.6)	65.9

Note: Comparative figures have been reclassified due to a realignment of several business lines between our Buildings, Energy & Resources, and Infrastructure business operating units.

Three Quarters Ended Sept 30, 2015 vs. 2014

<i>(In millions of Canadian dollars)</i>	Total Change	Change Due to Acquisitions	Change Due to Organic Growth (Retraction)	Change Due to Foreign Exchange
Buildings	174.3	122.3	21.6	30.4
Energy & Resources	(64.9)	55.5	(160.6)	40.2
Infrastructure	175.0	70.7	41.3	63.0
Total	284.4	248.5	(97.7)	133.6

Note: Comparative figures have been reclassified due to a realignment of several business lines between our Buildings, Energy & Resources, and Infrastructure business operating units.

Following are the acquisitions completed in 2014 and 2015 that impacted specific business operating units year to date:

- **Buildings**
 - SHW (May 2014)
 - USKH (June 2014)
 - ADD Inc. (September 2014)
 - Dessau (January 2015)
 - Sparling (February 2015)
- **Energy & Resources**
 - WEG (January 2014)
 - ProU (March 2014)
 - JBR (May 2014)
 - Wiley (June 2014)
 - Dessau (January 2015)
 - VI Engineering (July 2015)
- **Infrastructure**
 - USKH (June 2014)
 - Penfield & Smith (October 2014)
 - Dessau (January 2015)
 - VA Consulting (August 2015)

Buildings

Gross revenue for our Buildings business operating unit increased 32.4% in Q3 15 compared to Q3 14 and 43.7% year to date in 2015 compared to 2014. Of the \$174.3 million increase year to date, \$122.3 million was due to acquisitions, \$21.6 million was due to organic growth, and \$30.4 million was due to foreign exchange. Organic revenue growth was 3.4% in Q3 15 compared to Q3 14 and 5.4% year to date in 2015 compared to 2014. Year to date, we experienced strong growth in our Canadian and International operations, while organic revenue growth was stable in the United States. Organic gross revenue growth in Canada is primarily due to our geographic mature presence and diversified market sector focus. Compared to 2014, organic growth resulted from winning strategic pursuits and successfully carrying out our account management strategies, particularly in our Healthcare and Education sectors and with our municipal clients where our P3s win rate has increased year over year.

The majority of revenue for our Buildings business operating unit is generated from three key sectors: Healthcare, Commercial, and Education. For these market sectors, opportunities remain steady in all of our key geographies. In addition, we see strong growth in some of our smaller sectors such as Industrial Buildings due to increased opportunities in manufacturing, maintenance warehousing, and military infrastructure.

In Canada, we benefited from strong activity in the healthcare and education markets and steady activity in the commercial industry. Dessau, well-recognized in the Quebec market, continues to secure projects as part of Stantec. With our P3 and design-build expertise, we continue to secure major projects. For example, we were selected as part of a design-build team for the Red Deer College Centre for Health, Wellness and Sport in Alberta. The Centre will provide a state-of-the art teaching and learning space and a comprehensive venue for athletic, recreational, and community activities in central Alberta, plus host a number of events in the 2019 Canada Winter Games.

In the United States, gross revenue has significantly increased due to the acquisitions completed in 2014 and 2015. We continue to see increasing opportunities in residential and hospitality work in the eastern United States and increased activity in our Education sector. In particular, we were recently awarded a project where we will provide the architectural and engineering services, plus the technology design and documentation, for renovations and additions to all academic facilities for the Berkley School District in Berkley, Michigan. We also continue to secure major projects in healthcare such as the design-build of a new three-story medical office building for the Rady Children's Hospital in Southern California. The building will include up to 108,000 square feet (10,000 square metres) of clinical and outpatient facilities; bring specialty services for adults and children; provide primary and urgent care; and house a toddler school specializing in autism. We continue to secure major retail projects in our Commercial sector. To illustrate, we were awarded a project for the Walgreens store conversions; we will provide architectural, interior design, and mechanical and electrical engineering services for over 70 locations throughout the eastern United States.

We continue to secure projects internationally, which has increased our Healthcare sector market position as well as our expertise in science and technology.

Energy & Resources

Gross revenue for our Energy & Resources business operating unit decreased \$37.2 million in Q3 15 compared to Q3 14 and \$64.9 million year to date in 2015 compared to 2014. Revenue was positively impacted by strategic acquisitions completed in 2014 and 2015 and by foreign exchange. Organic gross revenue in our Energy & Resources business operating unit retracted 24.1% in Q3 15 compared to Q3 14 and 19.3% year to date in 2015 compared to 2014. The continued decline in the oil and gas sector in both Canada and the United States impacted our engineering and Environmental Services. We also experienced organic revenue retraction in our Power and Mining sectors. Management continues to monitor backlog and make adjustments to align staffing levels with workload and market conditions. Throughout this significant and rapid decline, we managed our margins and maintained our strong client relationships. In 2014, our Oil & Gas sector represented approximately 25% of our Company's overall annual gross revenue and now represents less than 15% year to date in 2015. This change reduces the impact of our exposure to further potential declines in this industry.

Our Oil & Gas sector consists of engineering and environmental services (approximately half each). The retraction in our Oil & Gas sector during the first three quarters of 2015 was the result of the continued decline and volatility in oil prices and curtailed capital spending in the sector. In our midstream business, new project awards are generally for smaller projects compared to 2014, and they have slowed due to the impact of uncertain market conditions. In the upstream sector, a smaller portion of our business, projects have been deferred or canceled as clients adapt to lower commodity prices and market supply and demand characteristics.

In sectors that are non-resource related, Environmental Services in Canada retracted mainly due to the weakening western Canadian economy. In the United States, Environmental Services achieved overall strong growth year to date in 2015. We continue to secure significant projects; for example, during the quarter, we were awarded a national contract in the United States with a major defense aerospace contractor. The contract involves conducting environmental assessments and remediation at existing and former military and aerospace industrial complexes, and includes permitting and compliance support under the National Environmental Policy Act. In addition, we recently entered into a North American collaborative agreement with The Nature Conservancy for a study which will develop a long-term relationship with this client. Our agreement will provide a flexible way to expand the range of programmatic engagements that we can undertake to conserve and restore North American rivers, waterways, streams, and wetlands in both rural and urban environments, and to improve water quality and aquatic habitat.

In our Power sector, we continue to secure projects because of environmental compliance requirements in the transmission and distribution market and in power replacement; however, we had a slight retraction in organic gross revenue in the quarter. Our Canadian Power operations continued to be impacted by the slowdown in capital spending by oil and gas clients, resulting in deferred and canceled proposed gas generation projects. This offset the strong organic growth in the United States that was driven by the transmission and distribution subsector and the renewable energy subsector.

Our Mining sector is stable year to date in 2015 compared to 2014, mainly assisted by the recognition of additional fees in Q1 15 that resulted from obtaining certain performance metrics on a major project. In Q3 15 compared to Q3 14, Mining continued to retract in our Canadian and international operations, primarily due to the winding down of major projects and the macroeconomic conditions in the mining industry.

Infrastructure

Gross revenue for our Infrastructure business operating unit increased 28.9% in Q3 15 compared to Q3 14 and 26.9% year to date in 2015 compared to 2014. Of the \$175.0 million increase year to date, \$70.7 million was due to acquisitions, \$41.3 million was due to organic growth, and \$63.0 million was due to foreign exchange. Organic revenue growth was 6.0% in Q3 15 compared to Q3 14 and 6.3% year to date in 2015 compared to 2014. All sectors in Infrastructure achieved strong organic gross revenue growth in Q3 15 compared to Q3 14 and year to date.

Our Transportation sector experienced strong organic gross revenue growth year to date in 2015 compared to 2014. Over 70% of our Transportation revenue is generated in the United States. A rebounding US economy and our North American strategic market position led to an increased number of organic growth opportunities such as major light rail transit, roadway, and bridge projects. For example, during the quarter, we secured a project in the Greater Toronto Area to complete a feasibility study of 11 potential grade separation locations along the Stouffville rail corridor for the Metrolinx (GO Transit). As well, we were awarded a Project Development and Design study for widening 18 miles (29 kilometres) of the Sawgrass Expressway, which will include dynamically tolled express lanes, in Broward County, Florida.

Our Water sector achieved strong organic gross revenue growth year to date in 2015 compared to 2014 due to a continued demand for our services. This growth resulted from the rehabilitation required on aging infrastructure and an increasing focus on flood protection and resiliency. We also benefit from regulatory requirements, including the consent decrees in the United States that mandate municipalities to upgrade their water and wastewater facilities, as well as public agencies' continued efforts to improve the efficiency of their operations. Growth in Canada and the United States was partly due to the work we added in 2014 on the Bonnybrook wastewater treatment plant in Calgary, Alberta, and the Springbank Off-Stream Storage Protection project near Calgary. In addition, growth continues as we execute key projects, including the Regina wastewater treatment plant in Saskatchewan; ongoing work with the Tennessee Valley Authority in the United States; and the nationwide contract with the U.S. Federal Emergency Management Agency for the agency's flood risk mapping and hazard mitigation programs.

Organic gross revenue growth for our Community Development sector was strong year to date in 2015 compared to 2014; growth in Canada and the United States was partly offset by a retraction in our International operations which was the result of completing our only Community Development project outside of North America. We perform approximately half of our Community Development work in Canada, half in the United States. Both Canada and the United States had organic revenue growth in Q3 15 compared to Q3 14. The strong US growth was due to the general improvement in the US economy. Both countries experienced a continued demand for housing, a recovery of urban development and design markets, and an increase in mixed-use commercial projects. Additionally, we are beginning to secure more US projects in urban design, further diversifying our strong greenfield business. This business is becoming stronger after a sluggish recovery from the recession.

Gross Margin

For a definition of gross margin, refer to the discussion in the Definitions section of our 2014 Annual Report, incorporated here by reference. Gross margin as a percentage of net revenue was 54.5% in Q3 15 compared to 54.7% in Q3 14. The year-to-date gross margin was 54.6% in 2015 and 2014. Our gross margin was within the targeted range of 54% to 56% (set out in our 2014 Annual Report).

The following table summarizes gross margin percentages by regional operating unit:

Gross Margin by Regional Operating Unit	Quarter Ended		Three Quarters Ended	
	Sept 30		Sept 30	
	2015	2014	2015	2014
Canada	54.8%	55.7%	55.3%	55.4%
United States	54.3%	53.7%	54.0%	53.9%
International	52.1%	50.7%	52.2%	50.1%

In general, gross margin fluctuations depend on the particular mix of projects in progress during any quarter and on our project execution. The fluctuations reflect our business model, which is based on diversifying operations across geographic locations, business operating units, and all phases of the infrastructure and facilities project life cycle.

In our Canadian operations, the decrease in gross margin in Q3 15 compared to Q3 14 resulted mostly from market conditions in the energy industry, which placed downward pressure on rates in our Environmental Services, and from lower margins from the Dessau acquisition. The increase in margins in our International operations in Q3 15 and year to date compared to the same periods in 2015 resulted mainly from the mix of projects.

The following table summarizes our gross margin percentages by business operating unit:

Gross Margin by Business Operating Unit	Quarter Ended		Three Quarters Ended	
	Sept 30		Sept 30	
	2015	2014	2015	2014
Buildings	55.0%	55.5%	55.2%	55.3%
Energy & Resources	53.6%	53.0%	53.8%	52.9%
Infrastructure	54.9%	56.4%	54.9%	56.3%

Note: Comparative figures have been reclassified due to a realignment of several business lines between our Buildings, Energy & Resources, and Infrastructure business operating units.

Our Energy & Resources business operating unit experienced a higher gross margin year to date, partly due to the recognition of fees in Q1 15 for obtaining certain performance metrics on major mining projects.

Our Infrastructure business operating unit had a lower gross margin in Q3 15 compared to Q3 14 and year to date in 2015 compared to 2014, which was caused by the mix of projects and adjustments to estimates to complete for certain transportation projects. Transportation's gross margin was also impacted by ongoing pursuits for design-build and P3 projects. During the pursuit phase of these types of projects, we perform work for reduced margins, which are subsequently increased if our team is successful in securing the project.

Administrative and Marketing Expenses

Administrative and marketing expenses as a percentage of net revenue was 39.4% in Q3 15 compared to 39.3% in Q3 14. Our year-to-date administrative and marketing expenses as a percentage of net revenue was 41.0% in 2015 compared to 40.2% in 2014, falling within the expected range of 40% to 42% (set out in our 2014 Annual Report). During Q3 15, administrative and marketing expenses as a percentage of net revenue was slightly below our expected range partly due to our focus on effectively managing our costs and a decrease in the fair value of deferred share units, restricted share units, and performance share units in the quarter.

Administrative and marketing expenses fluctuate from year to year because of the amount of staff time charged to marketing and administrative labor, which is influenced by the mix of projects in progress during the period as well as business development and acquisition integration activities.

Year-to-date administrative and marketing expenses as a percentage of net revenue was higher in 2015 compared to 2014, caused in part by an increase in integration activities. In the months after completing an acquisition, staff time charged to administration and marketing is generally higher because of integration activities, including orienting newly acquired staff. Compared to 2014, additional infrastructure and French language translation costs were incurred in 2015 related to the integration of the Dessau operations. Higher severance costs were incurred in 2015 to align staffing levels with workload in our Energy & Resources business operating unit.

Amortization of Intangible Assets

The timing of completed acquisitions, size of acquisitions, and type of intangible assets acquired impact the amount of amortization of intangible assets in a period. Client relationships are amortized over estimated useful lives ranging from 10 to 15 years, and contract backlog is generally amortized over an estimated useful life of 1 to 2 years. Consequently, the impact of the amortization of contract backlog can be significant in the 4 to 8 quarters following an acquisition. Also included in intangible assets is purchased and internally generated computer software that is amortized over an estimated useful life ranging from 3 to 7 years.

The following table summarizes the amortization of identifiable intangible assets for Q3 15 and Q3 14 and year to date for 2015 and 2014:

Amortization of Intangibles	Quarter Ended		Three Quarters Ended	
	Sept 30		Sept 30	
<i>(In thousands of Canadian dollars)</i>	2015	2014	2015	2014
Client relationships	4,297	2,150	11,319	6,099
Backlog <i>(Note)</i>	2,606	1,278	7,225	3,014
Software	3,117	2,805	9,394	8,460
Other	484	256	1,995	615
Lease disadvantage	(319)	(325)	(842)	(872)
Total amortization of intangible assets	10,185	6,164	29,091	17,316

Note: Backlog is a non-IFRS measure that is further discussed in the Definitions section of our 2014 Annual Report.

The amortization of intangible assets increased \$4.0 million from Q3 14 to Q3 15 and \$11.8 million year to date compared to the same period in 2015. These increases are mainly due to additional backlog and client relationships recognized from acquisitions completed in 2014 and 2015. Also, a number of our intangible assets are denominated in US dollars; therefore, the amortization expense was impacted by the strengthening of the US dollar compared to the Canadian dollar. Based on the unamortized intangible asset balance remaining at the end of Q3 15, we expect our amortization expense for intangible assets for the full year 2015 to be in the range of \$36 to \$38 million. The actual expense may be impacted by any new acquisitions completed after Q3 15.

Net Interest Expense

Net interest expense increased \$0.3 million in Q3 15 compared to Q3 14, primarily due to an increase in interest expense on our revolving credit facility. The balance outstanding on our revolving credit facility was \$144.8 million at September 30, 2015, compared to \$54.7 million at September 30, 2014. The average interest rate for our revolving credit facility and senior secured notes was approximately 2.84% at September 30, 2015, and approximately 3.55% at September 30, 2014. The revolving credit facility and senior secured notes are further described in the Liquidity and Capital Resources section of this report. Net interest expense increased \$2.1 million year to date in 2015 compared to 2014, mainly due to an increase in interest expense on notes payable.

Based on our credit balance at September 30, 2015, we estimate that a 0.5% increase in interest rates, with all other variables held constant, would have decreased net income for the first three quarters of 2015 by \$394,000 and decreased basic earnings per share by less than \$0.01. If the interest rate was 0.5% lower, there would have been an equal and opposite impact on net income and basic earnings per share. We have the flexibility to partly mitigate our exposure to interest rate changes by maintaining a mix of both fixed- and floating-rate debt. Our senior secured notes have fixed interest rates; therefore, interest rate fluctuations have no impact on the senior secured notes interest payments.

Foreign Exchange Gains

We recorded a \$0.3 million foreign exchange gain in Q3 15 and year to date in 2015 compared to a \$0.1 million gain in Q3 14 and year to date in 2015. These foreign exchange gains arose on the translation of the foreign-denominated assets and liabilities held in our Canadian companies and in our non-US-based foreign subsidiaries. We minimize our exposure to foreign exchange fluctuations by matching foreign currency assets with foreign currency liabilities and, when appropriate, by entering into forward contracts to buy or sell US dollars and British pounds in exchange for Canadian dollars. The foreign exchange gain reported during the quarter was caused by the volatility of daily foreign exchange rates and the timing of the recognition and relief of foreign-denominated assets and liabilities.

We recorded a \$74.3 million gain on the translation of our foreign operations in other comprehensive income in the first three quarters of 2015 compared to a \$24.8 million gain in the same period in 2014. These unrealized gains arose when translating our foreign operations into Canadian dollars. The gain during the first three quarters of 2015 was due to the weakening of the Canadian dollar—from US\$0.86 at December 31, 2014, to US\$0.75 at September 30, 2015.

We estimate that at September 30, 2015, a \$0.01 decrease in foreign exchange rates, with all other variables held constant, would have decreased net income by \$6,000 for the first three quarters of 2015 and decreased basic earnings per share by less than \$0.01. If the exchange rates were \$0.01 higher, there would have been an equal and opposite impact on net income and basic earnings per share.

Other Expense and Income

Other expense was \$0.2 million in Q3 15 compared to \$1.6 million other income in Q3 14. Year-to-date other income was \$7.0 million in 2015 compared to \$2.0 million for the same period in 2014. Other income in 2015 was primarily related to a gain on the sale of equities in our investments held for self-insured liabilities, which include bonds, equities, and term deposits. The risk associated with these bonds, equities, and term deposits is mitigated by the overall quality and mix of the investment portfolio. During Q2 15, we rebalanced the type of equities in the portfolio, which resulted in the realization of a \$4.2 million gain in income. Also year-to-date in 2015, we recognized a \$2.3 million gain on the sale of land and buildings in other income.

Income Taxes

Our effective income tax rate for the first three quarters of 2015 was 27.5% compared to 26.3% for the year ended December 31, 2014. The effective income tax rate of 27.5% is based on statutory rates in jurisdictions where we operate and on our estimated earnings in each of these jurisdictions. We review statutory rates and jurisdictional earnings quarterly and adjust our estimated income tax rate accordingly.

Summary of Quarterly Results

The following table presents selected data derived from our consolidated financial statements for each of the eight most recently completed quarters. This information should be read in conjunction with the applicable interim unaudited and annual audited consolidated financial statements and related notes.

Quarterly Unaudited Financial Information

<i>(In millions of Canadian dollars, except per share amounts)</i>	Sept 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014
Gross revenue	750.8	710.3	705.7	647.5
Net revenue	620.1	593.9	592.3	519.6
Net income	50.0	43.2	38.0	38.1
EPS – basic	0.53	0.46	0.40	0.41
EPS – diluted	0.53	0.46	0.40	0.40
	Sept 30, 2014*	Jun 30, 2014*	Mar 31, 2014*	Dec 31, 2013*
Gross revenue	674.7	633.8	573.9	575.3
Net revenue	544.2	530.2	481.3	451.3
Net income	48.6	44.3	33.5	35.7
EPS – basic	0.52	0.47	0.36	0.38
EPS – diluted	0.51	0.47	0.36	0.38

Quarterly earnings per share on a basic and diluted basis are not additive and may not equal the annual earnings per share reported. This is a result of the effect of shares issued on the weighted average number of shares. Diluted earnings per share on a quarterly and an annual basis are also affected by the change in the market price of our shares, since we do not include in dilution options when the exercise price of the option is not in the money.

**Earnings per share are adjusted from previously reported amounts for the two-for-one share split that occurred on November 14, 2014.*

The table below compares quarters, summarizing the impact of acquisitions, organic growth, and foreign exchange on gross revenue:

Gross Revenue	Q3 15 vs. Q3 14	Q2 15 vs. Q2 14	Q1 15 vs. Q1 14	Q4 14 vs. Q4 13
<i>(In millions of Canadian dollars)</i>				
Increase (decrease) in gross revenue due to				
Acquisition growth	63.8	93.8	90.9	53.1
Organic growth (retraction)	(53.6)	(53.6)	9.5	1.4
Impact of foreign exchange rates on revenue earned by foreign subsidiaries	65.9	36.3	31.4	17.7
Total net increase in gross revenue	76.1	76.5	131.8	72.2

Q4 14 vs. Q4 13. During Q4 14, net income increased \$2.4 million, or 6.7%, from Q4 13, and diluted earnings per share for Q4 14 increased \$0.02, or 5.3%, compared to Q4 13. Net income for Q4 14 was positively impacted by an increase in revenue because of foreign exchange, acquisitions completed in 2013 and 2014, and organic revenue growth in our Buildings and Infrastructure business operating units. The Energy & Resources business operating unit declined primarily because of certain terminal projects winding down in our Oil & Gas sector in Canada. Our Buildings business operating unit had strong organic growth of 8.4% in Q4 14 compared to Q4 13, caused mainly by improved project management and growth in the Healthcare sectors of our Canada and International operations. Organic gross revenue growth in our Infrastructure business operating unit resulted from growth in its Water and Community Development sectors, and even more, from growth in its Transportation sector in the United States. Our gross margin decreased—from 56.4% in Q4 13 to 55.6% in Q4 14—due to lower margins in our Oil & Gas sector, which has been a growing component of our US revenue, as well as the impact of project adjustments to estimated costs to complete in our Buildings business operating unit. Administrative and marketing expense as a percentage of net revenue decreased—from 43.7% in Q4 13 to 42.5% in Q4 14. The expense in Q4 13 was historically high due to additional charges for seasonal holidays and an increase in the fair value of restricted share units and deferred share units.

Q1 15 vs. Q1 14. During Q1 15, net income increased \$4.5 million, or 13.4%, from Q1 14, and diluted earnings per share for Q1 15 increased \$0.04, or 11.1%, compared to Q1 14. Net income for Q1 15 was positively impacted by foreign exchange, acquisitions completed in 2014 and 2015, and organic revenue growth in our Buildings and Infrastructure business operating units. This organic growth was partly offset by a retraction in our Energy & Resources business operating unit. Our US operations experienced strong organic gross revenue growth; however, organic gross revenue in our Canada and International operations retracted. Organic growth was particularly strong in our US Environmental Services and US Water and Community Development sectors. Also, Buildings experienced strong growth in all regional operating units. Net income was also positively impacted by an increase in gross margin—from 54.4% in Q1 14 to 55.2% in Q1 15. This was offset by an increase in our administrative and marketing expenses as a percentage of net revenue—from 41.5% in Q1 14 to 42.5% in Q1 15—mainly from lower utilization due to an increase in integration activity from recent acquisitions and a retraction in our Oil & Gas business. In addition, our bottom line was impacted by an increase in the amortization of intangible assets and net interest expense.

Q2 15 vs. Q2 14. During Q2 15, net income decreased \$1.2 million, or 2.7%, from Q2 14, and diluted earnings per share for Q2 15 decreased \$0.01, or 2.1%, compared to Q2 14. Net income for Q2 15 was positively impacted by an increase in revenue due to acquisitions completed in 2014 and 2015 and the impact of foreign exchange rates on revenue earned by our US subsidiaries. Organic revenue retracted 8.5% in Q2 15 compared to Q2 14. We had strong organic revenue growth in our Buildings and Infrastructure business operating units compared to Q2 14. This growth was offset by organic revenue retraction in our Energy & Resources business operating unit due to the challenging economic conditions in the oil and gas industry. Our gross margin decreased—from 54.7% in Q2 14 to 54.0% in Q2 15. This decrease was a result of downward pressure on margins in the oil and gas industry and lower margins from the Dessau acquisition. Our administrative and marketing expenses as a percentage of net revenue increased—from 39.9% in Q2 14 to 41.2% in Q2 15—mainly from lower utilization due to an increase in integration activity from recent acquisitions and a retraction in our Oil & Gas business. In addition, our net income line was impacted by an increase in the amortization of intangible assets and net interest expense. These increases in expenses were partly offset by an increase in other income due to a gain on sale of land and buildings and investments held for self-insured liabilities.

Balance Sheet

The following table highlights the major changes to assets, liabilities, and equity since December 31, 2014:

<i>(In millions of Canadian dollars)</i>	Sept 30, 2015	Dec 31, 2014	\$ Change	% Change
Total current assets	945.0	844.4	100.6	11.9%
Property and equipment	157.8	152.7	5.1	3.3%
Goodwill	896.8	760.6	136.2	17.9%
Intangible assets	119.2	97.2	22.0	22.6%
Other financial assets	109.2	90.7	18.5	20.4%
All other assets	83.4	64.9	18.5	28.5%
Total assets	2,311.4	2,010.5	300.9	15.0%
Current portion of long-term debt	133.6	53.2	80.4	151.1%
Provisions	15.7	10.8	4.9	45.4%
All other current liabilities	407.0	411.1	(4.1)	(1.0%)
Total current liabilities	556.3	475.1	81.2	17.1%
Long-term debt	260.4	256.1	4.3	1.7%
Provisions	64.0	51.6	12.4	24.0%
All other liabilities	161.8	141.5	20.3	14.3%
Equity	1,268.9	1,086.2	182.7	16.8%
Total liabilities and equity	2,311.4	2,010.5	300.9	15.0%

Refer to the Liquidity and Capital Resources section of this report for an explanation of the changes in current assets and current liabilities.

Overall, the carrying amount of assets and liabilities for our US subsidiaries on our consolidated balance sheets increased due to the weakening Canadian dollar—from US\$0.86 at December 31, 2014, to US\$0.75 at September 30, 2015. Other factors that impacted our long-term assets and liabilities are indicated below.

Property and equipment, goodwill, and intangible assets increased as a result of the Dessau, Sparling, VI Engineering, and VA Consulting acquisitions. Intangible assets increased mostly because of customer relationships, backlog, and lease advantages acquired from these acquisitions and the renewal of Autodesk software in Q1 15. Total current and long-term other financial assets increased mainly due to an increase in investments held for self-insured liabilities and an increase in holdbacks from long-term contracts.

Total current and long-term debt increased mainly as a result of an increase in our revolving credit facility. In addition, our finance lease obligations increased primarily due to the renewal of our Autodesk software in Q1 15. These increases in debt were partly offset by a reduction in our notes payable from acquisitions. Total provisions increased because of an increase in our provision for self-insured liabilities, which was a result of the timing of the recognition of the liability and its ultimate settlement. Also, total current and long-term provisions increased due to provisions for project-related claims assumed from the Dessau acquisition and an increase in onerous contracts relating to lease exit liabilities.

Our shareholders' equity increased \$182.7 million due to \$131.1 million in net income earned in the first three quarters of 2015, \$8.2 million in share options exercised for cash, and \$3.9 million expensed for share-based compensation. As well, comprehensive income increased \$69.1 million, resulting from the unrealized gain on the translation of our US subsidiaries and the unrealized loss on our investments held for self-insured liabilities. These increases were partly offset by the \$29.7 million in dividends declared year to date.

Liquidity and Capital Resources

We are able to meet our liquidity needs through a variety of sources, including cash generated from operations, long- and short-term borrowings from our \$350 million revolving credit facility, senior secured notes, and the issuance of common shares. We use funds primarily to pay operational expenses, complete acquisitions, sustain capital spending on property and on equipment and software, repay long-term debt, and pay dividend distributions to shareholders.

We believe that internally generated cash flows, supplemented by borrowings, if necessary, will be sufficient to cover our normal operating and capital expenditures. We also believe that the design of our business model (explained in the Management's Discussion and Analysis in our 2014 Annual Report) reduces the impact of changing market conditions on operating cash flows. Consequently, we do not anticipate any immediate need to access additional capital by issuing additional equity. However, under certain favorable market conditions, we would consider issuing common shares to facilitate acquisition growth or to reduce borrowings under our credit facility.

We continue to limit our exposure to credit risk by placing our cash and cash equivalents in short-term deposits in—and, when appropriate, by entering into derivative agreements with—high-quality credit institutions. Investments held for self-insured liabilities include bonds, equities, and term deposits. We mitigate risk associated with these bonds, equities, and term deposits through the overall quality and mix of our investment portfolio.

Working Capital

The following table summarizes working capital information at September 30, 2015, compared to December 31, 2014:

<i>(In millions of Canadian dollars, except ratio)</i>	Sept 30, 2015	Dec 31, 2014	\$ Change
Current assets	945.0	844.4	100.6
Current liabilities	(556.3)	(475.1)	(81.2)
Working capital <i>(note)</i>	388.7	369.3	19.4
Current ratio <i>(note)</i>	1.70	1.78	n/a

note: Working capital is calculated by subtracting current liabilities from current assets. Current ratio is calculated by dividing current assets by current liabilities. Both non-IFRS measures are further discussed in the Definitions section of our 2014 Annual Report.

Current assets increased primarily because of a \$184.2 million increase in trade and other receivables and in unbilled revenue. Investment in trade and other receivables and in unbilled revenue increased to 103 days at September 30, 2015, from 86 days at December 31, 2014. This increase occurred mainly in our Buildings business operating unit, which was primarily impacted by the nature and of the work assumed from the Dessau acquisition. In addition, cash in escrow relating to the Dessau acquisition increased \$6.0 million, prepaid expenses increased \$5.5 million, and taxes recoverable increased \$3.1 million due to the timing of income tax instalments for 2014 and 2015. These increases were partly offset by a decrease of \$99.3 million in our cash and deposits (further explained in the Cash Flows section of this report).

Current liabilities increased primarily as a result of an increase in the current portion of long-term debt since \$70 million of our senior secured notes come due May 10, 2016, and notes payable from current acquisitions increased \$8.5 million. In addition, the current portion of provisions increased \$4.0 million due to the increase in our provisions for project-related claims assumed from the Dessau acquisition. These increases were partly offset by a decrease of \$5.4 million in billings in excess of costs.

Cash Flows

Our cash flows from and used in operating, investing, and financing activities are reflected in the consolidated statements of cash flows and summarized in the following table:

<i>(In millions of Canadian dollars)</i>	Quarter Ended September 30			Three Quarters Ended September 30		
	2015	2014	Change	2015	2014	Change
Cash flows from operating activities	84.1	96.5	(12.4)	56.4	111.5	(55.1)
Cash flows used in investing activities	(28.6)	(34.6)	6.0	(190.5)	(148.4)	(42.1)
Cash flows (used in) from financing activities	(19.5)	(94.6)	75.1	31.5	(21.0)	52.5

Cash Flows From Operating Activities

Cash flows used in operating activities are impacted by the timing of acquisitions, particularly the timing of payments for acquired trade and other payables, including annual employee bonuses. The decrease in cash flows from operating activities year to date in 2015 compared to 2014 resulted from an increase in cash paid to employees, which, in turn, was caused by an increase in the number of employees and bonuses paid. As well, cash paid to suppliers increased because of our acquisition and organic growth and the timing of various payments. Interest paid increased since more interest was paid on notes payable for acquisitions in 2015 compared to 2014. Also, cash paid for income taxes increased \$3.4 million, resulting from an increase in our US final tax payments and instalments. These increases in cash outflows were partly offset by an increase in cash receipts from clients due to our acquisitions and organic growth. In addition, we had a \$5.5 million increase in our Canadian income taxes recovered compared to 2014.

Cash Flows Used in Investing Activities

Cash flows used in investing activities increased year to date in 2015 compared to 2014 due to an increase in cash used for business acquisitions. We used \$151.5 million to pay cash consideration for current year acquisitions and notes payable for prior year acquisitions year to date in 2015 compared to \$105.4 million year to date in 2014. We received \$5.0 million less in cash inflows for lease inducements year to date compared to 2014. Also contributing to the increase in cash flows used was a \$6.0 million deposit paid in escrow for the indemnification of potential claims on the Dessau acquisition. These increases in cash flows used in investing activities were partly offset by a \$4.6 million decrease in investments held for self-insured liabilities and a \$7.8 million decrease in the purchase of property and equipment.

As a professional services organization, we are not capital intensive. In the past, we made capital expenditures primarily for items such as leasehold improvements, computer equipment and software, furniture, and other office and field equipment. Property and equipment and software purchases totaled \$9.6 million in Q3 15 compared to \$9.2 million in Q3 14. For the remainder of 2015, we plan to continue investing in enhancements to our information technology infrastructure and enterprise systems; this will optimize and streamline business processes and prepare us for continued growth. During Q3 15, we financed property and equipment and software purchases through cash flows from operations.

Cash Flows from Financing Activities

Cash flows from financing activities increased year to date in 2015 compared to 2014, mainly due to the net \$63.7 million increase in cash inflows from our revolving credit facility. In addition, cash outflows increased due to the payment of our Autodesk finance lease obligation and a \$3.5 million increase in the payment of dividends year to date in 2015 compared to 2014.

Capital Management

We manage our capital structure according to the internal guideline established in our 2014 Annual Report by maintaining a net debt to EBITDA ratio of below 2.5. We calculate our net debt to EBITDA ratio, a non-IFRS measure, as the sum of (1) long-term debt, including current portion, plus bank indebtedness, less cash and cash equivalents deposits and cash in escrow, divided by (2) EBITDA, calculated as income before income taxes, plus net interest expense, amortization of intangible assets, and depreciation of property and equipment. At September 30, 2015, our net debt to EBITDA ratio was 1.04, calculated on a trailing four-quarter basis. Going forward, there may be occasions when we exceed our target by completing opportune acquisitions that increase our debt level for a period of time.

We have entered into an agreement for a \$350 million revolving credit facility expiring August 31, 2018, that allows us to access an additional \$150 million under the same terms and conditions on approval from our lenders. Our credit facility is available for acquisitions, working capital needs, and general corporate purposes. Depending on the form under which it is accessed and on certain financial covenant calculations, rates of interest may vary between Canadian prime, US base rate, or LIBOR or bankers' acceptance rates, plus specified basis points. The specified basis points may vary, depending on our level of consolidated debt to EBITDA—from 20 to 125 for Canadian prime and US base rate loans and from 120 to 225 for bankers' acceptances, LIBOR loans, and letters of credit. At September 30, 2015, \$204.0 million was available in the revolving credit facility for future activities.

On May 13, 2011, we issued \$70 million of 4.332% senior secured notes due May 10, 2016, and \$55 million of 4.757% senior secured notes due May 10, 2018. These amounts were recorded net of transaction costs of \$1.1 million. The senior secured notes were issued pursuant to an indenture dated May 13, 2011, between Stantec Inc., as issuer, and BNY Trust Company of Canada, as trustee and collateral agent. These notes are ranked equally with our existing revolving credit facility. Interest on the senior secured notes is payable semiannually in arrears on May 10 and November 10 each year until maturity or the earlier payment, redemption, or purchase in full of the notes. We may redeem them, in whole at any time or in part from time to time, at specified redemption prices and subject to certain conditions required by the indenture. The senior secured notes contain restrictive covenants. All of our assets are held as collateral under a general security agreement for the revolving credit facility and senior secured notes.

We are subject to financial and operating covenants related to our credit facility and senior secured notes. Failure to meet the terms of one or more of these covenants may constitute a default, potentially resulting in accelerated repayment of our debt obligation. In particular, at each quarter-end, we must satisfy the following at any time: (1) our consolidated EBITDAR to debt service ratio must not be less than 1.25 to 1.0 for the revolving credit facility and senior secured notes and (2) our consolidated debt to EBITDA ratio must not exceed 2.5 to 1.0 for the revolving credit facility and 2.75 to 1.0 for the senior secured notes, except in the case of a material acquisition when our consolidated debt to EBITDA ratio must not exceed 3.0 to 1.0 for the revolving credit facility and 3.25 to 1.0 for the senior secured notes for a period of two complete quarters following the acquisition. EBITDA and EBITDAR to debt service ratios are defined in the Definitions section of our 2014 Annual Report. We were in compliance with all of these covenants as at and throughout the period ended September 30, 2015.

We have a bid bond facility, expiring on August 31, 2018, in the amount of \$15 million that allows us to access an additional \$5 million under the same terms and conditions on approval from our lenders. This facility may be used to issue bid bonds, performance guarantees, letters of credit, and documentary credits in international currencies. At September 30, 2015, \$8.3 million had been issued under this bid bond facility.

Shareholders' Equity

Share options exercised generated \$8.2 million in cash during the first three quarters of 2015 compared to \$9.9 million in cash generated during the same period in 2014.

Other

Outstanding Share Data

At September 30, 2015, 94,352,144 common shares and 3,074,585 share options were outstanding. From September 30, 2015, to November 4, 2015, 2,332 share options were exercised and 7,336 share options were forfeited. At November 4, 2015, 94,354,476 common shares and 3,064,917 share options were outstanding.

Contractual Obligations

As part of our continuing operations, we enter into long-term contractual arrangements from time to time. The following table summarizes the contractual obligations due on our long-term debt, operating and finance lease commitments, purchase and service obligations, and other obligations at September 30, 2015, on a discounted basis:

<i>(In millions of Canadian dollars)</i>	Payment Due by Period				
	Total	Less than 1 Year	1–3 Years	4–5 Years	After 5 Years
Debt	380.1	126.2	252.2	1.2	0.5
Interest on debt	19.5	9.7	9.8	-	-
Operating leases	916.2	139.8	236.8	166.7	372.9
Finance lease obligation	14.2	7.5	6.7	-	-
Purchase and service obligations	21.6	9.3	9.0	3.3	-
Other obligations	30.0	1.6	12.0	0.1	16.3
Total contractual obligations	1,381.6	294.1	526.5	171.3	389.7

For further information regarding the nature and repayment terms of our long-term debt and finance lease obligations, refer to the Cash Flows from Financing Activities and Capital Management sections of this report and notes 9 and 15 of our unaudited interim consolidated financial statements for the quarter ended September 30, 2015. Operating lease commitments include obligations under office space rental agreements. Purchase and service obligations include agreements to purchase future goods and services that are enforceable and legally binding. Other obligations include amounts payable under our deferred share unit and restricted share unit plans and amounts payable for performance share units issued under our long-term incentive program. Failure to meet the terms of our operating lease commitments may constitute a default, potentially resulting in a lease termination payment, accelerated payments, or a penalty as detailed in each lease agreement.

Off-Balance Sheet Arrangements

As of September 30, 2015, we had off-balance sheet financial arrangements relating to letters of credit in the amount of \$1.2 million that expire at various dates before October 2016. These letters of credit were issued in the normal course of operations, including the guarantee of certain office rental obligations. We also provide indemnifications and, in very limited circumstances, surety bonds. These are often standard contractual terms and are provided to counterparties in transactions such as purchase and sale contracts for assets or shares, service agreements, and leasing. As part of the normal course of operations, our surety facility allows the issuance of bonds for certain types of project

work. At September 30, 2015, \$4.5 million in bonds was issued under this surety facility; the bonds expire at various dates before April 2020. At September 30, 2015, \$8.3 million was issued under our bid bond facility, which allows us to issue bid bonds, performance guarantees, letters of credit, and documentary credits in international currencies; these expire at various dates before October 2016.

Financial Instruments and Market Risk

The nature and extent of our use of financial instruments, as well as the risks associated with these instruments, have not changed materially from those described in the Financial Instruments and Market Risk section of our 2014 Annual Report and are incorporated here by reference.

Related-Party Transactions

We have subsidiaries that are 100% owned and structured entities that are consolidated in our financial statements. From time to time, we enter into transactions with associated companies, joint ventures, and joint operations. These transactions involve providing or receiving services and are entered into in the normal course of business. Key management personnel—including the chief executive officer (CEO), chief financial officer (CFO), chief operating officer (COO), and executive vice presidents—have the authority and responsibility for planning, directing, and controlling the activities of the Company. We pay compensation to key management personnel and directors in the normal course of business.

From time to time, we guarantee the obligation of a subsidiary or structured entity regarding lease agreements. Also from time to time, we guarantee a subsidiary or structured entity’s obligations to a third party pursuant to an acquisition agreement. Transactions with subsidiaries, structured entities, associated companies, joint ventures, and key management personnel are further described in note 19 of our unaudited interim consolidated financial statements for the quarter ended September 30, 2015, and notes 13 and 30 of our audited consolidated financial statements, which are included in our 2014 Annual Report and incorporated here by reference.

Outlook

The outlook for fiscal 2015 is based on our expectations described in our 2014 Annual Report, which is incorporated here by reference.

Outlook by Region

Our organic revenue outlook for our Canada and International regional operating units has changed during the first three quarters of 2015, as shown in the table below:

	2014 Annual Report	Q1 15	Q2 15	Q3 15
Canada	Stable	Stable	Retraction	Retraction
United States	Moderate	Moderate	Moderate	Moderate
International	Moderate	Moderate	Stable	Stable

Certain expectations are summarized below.

Canada

We believe our Canadian operations will end the year with a retraction in organic revenue in 2015 compared to 2014. In Q2 15, we revised our outlook from that described in our 2014 Annual Report due to the retraction that occurred in the first two quarters of 2015, most significantly in our Oil & Gas sector. However, we expect this reduction to slow during the remainder of 2015. Organic revenues in the last quarter of the year will continue to be positively impacted by increased activity and growth in sectors and geographic regions that are linked to non-energy-related sectors.

United States

We believe our US operations will experience moderate organic revenue growth in 2015 compared to 2014. The US economy, driven by steady domestic economic fundamentals, continued to gain momentum in the quarter; this is expected to carry on throughout the rest of the year. We have maintained a moderate organic revenue growth outlook because we expect that growth in all our US sectors will be offset by a continued retraction in our Oil & Gas sector. Even though growth did slowly improve in the public sector during 2014, we believe the outlook for the private sector is more favorable than for the public sector in 2015.

International

We believe our International operations will experience stable organic revenue in 2015 compared to 2014. In Q2 15, we revised our outlook from that described in our 2014 Annual Report due to the year-to-date retraction in organic gross revenue in our Mining sector as a result of challenging global market conditions and a retraction in our Community Development sector. Currently, our International operations—mainly within our Buildings business operating unit and Mining sector—make up a small percentage of our business. Economic conditions and business operations in our International region are mixed. Similar to other locations, we expect to leverage our local position to drive cross-selling opportunities with clients in the United Kingdom and the Middle East.

Outlook by Business Operating Unit

Our organic revenue outlook for our business operating units for fiscal 2015 has changed during the first three quarters of 2015, as shown in the table below:

	2014 Annual Report	Q1 15	Q2 15	Q3 15
Buildings	Moderate	Moderate	Strong	Strong
Energy & Resources	Stable	Retraction	Retraction	Retraction
Infrastructure	Moderate	Moderate	Strong	Strong

Certain expectations are summarized below.

Buildings

We believe our Buildings business operating unit will experience strong organic growth in 2015 compared to 2014. In Q2 15, we revised our outlook to strong from moderate, as described in our 2014 Annual Report, due to better-than-anticipated growth year to date compared to the same period in 2014. This growth was assisted by sector diversification and our strong strategic pursuits and account management programs that materialized into project wins. Overall, we anticipate that the buildings industry will recover from the levels of previous years, and because of our top-tier positioning and global expertise in the healthcare, education, and commercial sectors, we believe we are well positioned to capitalize on this growth.

Energy & Resources

We believe our Energy & Resources business operating unit will end 2015 with a retraction in gross revenue compared to 2014. We believe Energy & Resources may retract at a slower pace in the last quarter of 2015. In Q1 15, we revised the outlook that was described in our 2014 Annual Report due to the greater-than-expected retraction in our Canadian and US Oil & Gas sector when compared to the robust growth experienced during the preceding few years. As well, in our 2014 Annual Report we expected Mining to remain stable and Power to have moderate growth. However, based on the results year to date, we expect moderate retraction in Mining and stable organic growth in Power in 2015 compared to 2014.

Infrastructure

We expect strong organic gross revenue growth in our Infrastructure business operating unit in 2015 compared to 2014. In Q2 15, we revised our outlook to strong from moderate, as described in our 2014 Annual Report, because of better-than-anticipated growth in the first half of 2015 compared to the same period in 2014. We expect that a gradual continuation of long-term trends—in particular, population growth, urbanization, and the need to rehabilitate aging infrastructure—will further drive the requirement for our water, community development, and transportation services.

Overall Outlook

We believe that our outlook is to end the year with a retraction in organic revenue growth of approximately 5% in 2015 compared to 2014. We believe that our Buildings and Infrastructure business operating units will achieve strong organic gross revenue growth. However, our organic gross revenue for our Energy & Resources business operating unit is expected to retract in 2015 compared to 2014, mainly due to greater-than-expected retraction in our Canadian and US Oil & Gas sector when compared to the robust growth experienced during the past few years. As well, we expect a continued slowdown in our Mining and Power sectors that resulted from the macroeconomic conditions in the mining industry and the impact of curtailed spending in the oil and gas industry.

We operate in a highly diverse infrastructure and facilities market in North America and internationally that consists of many technical disciplines, market sectors, client types, and industries in both the private and public sectors. This gives us the flexibility to adapt to changing market conditions in a timely manner. Our results may fluctuate from quarter to quarter, depending on variables such as project mix, economic factors, and integration activities related to acquisitions in a quarter. During the first three quarters of 2015, there was a significant retraction in our industry environment specifically related to sectors exposed to commodity price fluctuation. This retraction was more severe than the expectations we described in the Outlook section of our Management's Discussion and Analysis in our 2014 Annual Report.

Our overall outlook is based in part on an update of the underlying assumptions found in the Outlook section of the Management's Discussion and Analysis in our 2014 Annual Report. The Caution Regarding Forward-Looking Statements section of this Management's Discussion and Analysis outlines these updated assumptions.

Critical Accounting Estimates, Developments, and Measures

Critical Accounting Estimates

The preparation of consolidated financial statements in accordance with IFRS requires us to make various estimates and assumptions. However, future events may result in significant differences between estimates and actual results. There has been no significant change in our critical accounting estimates in Q3 15 from those described in our 2014 Annual Report under the heading Critical Accounting Estimates, Developments, and Measures and in note 5 of our December 31, 2014, audited consolidated financial statements, which are incorporated here by reference.

Definition of Additional IFRS Measures and Non-IFRS Measures

IFRS mandates certain minimum line items for financial statements and requires presentation of additional line items, headings, and subtotals when that presentation is relevant to an understanding of a company's financial position and performance. This Management's Discussion and Analysis includes additional IFRS measures, namely, gross revenue, net revenue, and gross margin. It also includes references to and uses measures and terms that are not specifically defined in IFRS and do not have any standardized meaning prescribed by IFRS. These measures and terms are working capital, current ratio, net debt to equity ratio, return on equity ratio, EBITDA, EBITDA as a percentage of net revenue, EBITDAR, debt to EBITDA ratio, net debt to EBITDA ratio, EBITDAR to debt service ratio, and backlog. These non-IFRS measures may not be comparable to similar measures presented by other companies.

For the first three quarters ended September 30, 2015, there has been no significant change in our description of additional IFRS measures and non-IFRS measures from that included in our 2014 Annual Report under the heading Critical Accounting Estimates, Developments, and Measures and incorporated here by reference. For additional information, refer to this discussion in our 2014 Annual Report.

Recent Accounting Pronouncements

Effective January 1, 2015, we adopted the following amendments, further described in note 6 of our December 31, 2014, annual consolidated financial statements and note 4 of our September 30, 2015, unaudited interim consolidated financial statements:

- Annual Improvements (2010–2012 Cycle)
- Annual Improvements (2011–2013 Cycle)

Adopting these amendments did not have an impact on our financial position or performance.

Future Adoptions

Standards, amendments, and interpretations that we reasonably expect to be applicable at a future date and intend to adopt when they become effective are described in note 4 of our September 30, 2015, unaudited interim consolidated financial statements and are incorporated here by reference.

Controls and Procedures

Evaluation of Disclosure Controls and Procedures. Our CEO and CFO evaluated our disclosure controls and procedures (defined in the US Securities Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this quarterly report. Based on this evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of such date.

Changes in Internal Controls over Financial Reporting. There has been no change in our internal control over financial reporting during the last fiscal quarter covered by this quarterly report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Risk Factors

For the first three quarters of 2015, there has been no significant change in our risk factors from those described in our 2014 Annual Report; the risk factors are incorporated here by reference.

Subsequent Events

On October 30, 2015, we acquired all the shares and business of Fay, Spofford & Thorndike, Inc. (FST), adding 280 staff to our Company. FST is an engineering, planning, and environmental firm based in Burlington, Massachusetts, with operations statewide and throughout the US Northeast, including Connecticut, Maine, New Hampshire, and New York. FST provides transportation and water infrastructure, building design, and environmental solutions. This addition will enhance our Infrastructure business operating unit in the United States.

On November 4, 2015, we declared a cash dividend of \$0.105 per share payable on January 14, 2016, to shareholders of record on December 31, 2015.

Caution Regarding Forward-Looking Statements

Our public communications often include written or verbal forward-looking statements within the meaning of the US Private Securities Litigation Reform Act and Canadian securities laws. Forward-looking statements are disclosures regarding possible events, conditions, or results of operations that are based on assumptions about future economic conditions or courses of action and include future-oriented financial information.

Statements of this type are contained in this report, including the discussion of our goals in the Core Business and Strategy section and of our annual and long-term targets and expectations for our regional and business operating units in the Results and Outlook sections, and may be contained in filings with securities regulators or in other communications. Forward-looking statements may involve, but are not limited to, comments with respect to our objectives for 2015 and beyond, our strategies or future actions, our targets, our expectations for our financial condition or share price, or the results of or outlook for our operations.

We provide forward-looking information for our business in the following sections and subsections of this report:

- *Core Business and Strategy*
- *Amortization of Intangible Assets subsection under Results*
- *Liquidity and Capital Resources*
- *Outlook*

These describe the management expectations and targets by which we measure our success and assist our shareholders in understanding our financial position as at and for the periods ended on the dates presented in this report. Readers are cautioned that this information may not be appropriate for other purposes.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that predictions, forecasts, conclusions, projections, and other forward-looking statements will not prove to be accurate. We caution readers of this report not to place undue reliance on our forward-looking statements since a number of factors could cause actual future results, conditions, actions, or events to differ materially from the targets, expectations, estimates, or intentions expressed in these forward-looking statements.

Future outcomes relating to forward-looking statements may be influenced by many factors and material risks.

Assumptions

In determining our forward-looking statements, we consider material factors, including assumptions about the performance of the Canadian, US, and various international economies in 2015 and their effect on our business. The assumptions we made at the time of publishing our annual targets and outlook for 2015 are listed in the Outlook section of our 2014 Annual Report. The following information updates and, therefore, supersedes those assumptions.

To establish our level of future cash flows, we assumed that the Canadian dollar would remain relatively stable during 2015. We also assumed that our average interest rate would remain relatively stable in 2015 compared to 2014. On September 30, 2015, the Canadian dollar closed at US\$0.75 compared to US\$0.86 on December 31, 2014. The average interest rate on our revolving credit facility was 1.40% at September 30, 2015, compared to 1.37% at December 31, 2014. The interest rates on our senior secured notes are fixed. To establish our effective income tax rate, we assumed the tax rate substantially enacted at the time of preparing our targets for 2015 for the countries in which we operate, primarily Canada and the United States. Our effective tax rate was 27.5% as at September 30, 2015, compared to 26.3% for the year ended December 31, 2014 (further explained on page M-18).

In our 2014 Annual Report, the Bank of Canada forecasted GDP growth would be 2.1% in 2015 and the overnight target rate would be 0.75%. The GDP forecast for 2015 has since been revised to 1.1%; the overnight target rate has since been decreased to 0.50%.

In our 2014 Annual Report, we noted that according to the National Association of Home Builders (NAHB) in the United States, seasonally adjusted annual rates of total housing starts in the United States were expected to increase to 1,169,000 units in 2015. This forecast has since been revised to 1,105,000 units in 2015.

In our 2014 Annual Report, we noted that the Architecture Billings Index (ABI) from the American Institute of Architects had been consistently above 50.0, suggesting improving demand for design services. In 2015, the ABI was 55.9 in June and 53.7 in September, therefore still suggesting growth for design services.

In our 2014 Annual Report, we noted that the Energy Information Administration's (EIA's) projected oil production in the United States to increase in 2015 and 2016. The EIA has since revised its forecast to a fall in oil production in the United States from 2015 to 2016.

In our 2014 Annual Report, we noted that the World Bank forecasted 2015 global real GDP growth of 3.0%, 2.5% for the Middle East, 5.4% for India, and 2.9% for the United Kingdom. These forecasts have since been revised to 2.8% growth for global, 2.2% for the Middle East, 7.5% for India, and 2.6% for the United Kingdom.

The outlook for all three business operating units—Buildings, Energy & Resources, and Infrastructure—changed during the first three quarters of 2015 from that described in the Outlook section of our 2014 Annual Report. The organic growth outlooks have been revised from moderate to strong for Buildings and Infrastructure, and from stable to retraction for Energy & Resources. The outlooks for our Canadian and International regional operating units changed from that described in the Outlook section of our 2014 Annual Report. The organic growth outlook has been revised from stable to retraction for Canada and from moderate to stable for International. The outlook for the United States remains at moderate.

The assumptions and expectations used to establish these outlooks are discussed in the Outlook section in this Management's Discussion and Analysis, as well as in the Outlook section of our 2014 Annual Report, incorporated here by reference.

The preceding list of assumptions is not exhaustive. Investors and the public should carefully consider these factors, other uncertainties, and potential events, as well as the inherent uncertainty of forward-looking statements, when relying on these statements to make decisions with respect to our Company. The forward-looking statements contained here represent our expectations as of November 4, 2015, and, accordingly, are subject to change after such date. Except as may be required by law, we do not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time. In the case of the ranges of expected performance for fiscal 2015, it is our current practice to evaluate and, where we deem appropriate, provide updates. However, subject to legal requirements, we may change this practice at any time at our sole discretion.