GENIVAR

GENIVAR Income Fund

First Quarter Report

For the three-month period ended March 28, 2009

Management's Discussion & Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis of financial condition and results of operations ("MD&A") dated as of May 11, 2009, is intended to assist readers in understanding the GENIVAR Income Fund (the "Fund" or "GENIVAR"), its business environment, strategies, performance and risk factors. In this MD&A, the "Fund", "we", "us" and "our" mean GENIVAR Income Fund. This MD&A should be read together with the unaudited consolidated financial statements and accompanying notes of the Fund for the quarter ended March 28, 2009, and the MD&A and the audited consolidated financial statement and accompanying notes of the Fund for the year ended December 31, 2008, included in our 2008 Annual Report. The Fund's consolidated financial statements are expressed in Canadian dollars and have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

This MD&A focuses on the Fund's first-quarter results, being from January 1, 2009, to March 28, 2009. The Fund's quarters usually comprise 13 weeks except the last one, which has to end on December 31 of each year and the first quarter which follows. As a result, the first quarter of 2009 has 12 weeks and 2 days.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements. These statements relate to future events or future performance and reflect the expectations of management (the "Management"), regarding the growth, results of operations, performance and business prospects and opportunities of GENIVAR Limited Partnership ("GENIVAR LP") or of the Engineering Services industry. Such forward-looking statements reflect current beliefs of Management and are based on information currently available. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue" or the negative of these terms or other comparable terminology. A number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, investors should specifically consider various factors, including the risks outlined under the heading "Risk Factors" of this MD&A, which may cause actual events or results to differ materially from the results discussed in any forward-looking statement. Although the forward-looking statements contained in this MD&A are based upon what Management believes to be reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements.

NON-GAAP MEASURES

The Fund uses non-GAAP measures that are used by Canadian open-ended income funds as indicators of financial performance measures under GAAP and may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable. The Fund believes these measures are useful supplemental measures that may assist investors in assessing an investment in units of the Fund.

Non-GAAP measures used by the Fund are net revenues, EBITDA, distributable cash, and payout ratio. These measures are defined at the end of this MD&A in the glossary.

OVERVIEW OF THE FUND

The Fund offers a broad diversity of professional consulting services in planning, engineering, architecture, environmental services, project management and a variety of project services throughout all execution phases: from the initial development studies through the design, construction, commissioning and maintenance phases. We have developed a multidisciplinary team approach where resources work closely with clients to develop optimized solutions which are on time and on budget. We are a fee-for-service business which operates in five distinct market segments, which are: Building, Municipal Infrastructure, Transportation, Industrial and Power, and Environment.

The Fund is one of the largest Engineering Services firm in Canada in terms of number of employees, with approximately 3,500 managers, professionals, technicians, technologists and support staff in over 65 locations in Canada and abroad.

Highlights

The following MD&A covers the period from January 1, 2009, to March 28, 2009. The Fund had a solid financial performance in the first three months of 2009, despite a very challenging business environment. We continued the integration of the acquisitions made in the fourth quarter of 2008 and maintained our acquisition strategy by adding approximately 100 employees through the acquisitions of Envirotel 3000 (“Envirotel”), WSA Trenchless Consultants (“WSA”), ENTRA Consultants (“ENTRA”), Design Collaborative Associates Ltd. (“DCA”) and Wiebe Environmental Services (“WES”). These specialized companies complement technically our platform by adding different specific expertises which broaden our capabilities in the environment, municipal infrastructure, transportation and building market segments. Envirotel brings us leading edge expertise in wildlife and plant habitat inventory projects; WSA has developed a unique expertise in trenchless technologies for the rehabilitation of water and sewer systems; ENTRA is recognized as an innovative firm in transportation and transit planning and traffic engineering; DCA is one of the leading architectural and planning firms in the

Caribbean; WES provides a platform in Alberta for our environmental services and brings expertise in the oil and gas industry.

Revenues for the first quarter rose to $97.4 million, up from $70.1 million in 2008, representing an increase of 39.0%. Net revenues came in at $84.8 million, representing a year over year increase of 41.0% for the first quarter. Acquisitions completed in 2008 and in 2009 accounted for 60.2% and 56.2% of the total increase of revenues and net revenues in the first quarter of 2009. Organic growth accounted for the balance.

EBITDA, during the period from January 1, 2009, to March 28, 2009, stood at $16.7 million, up from $11.9 million for the same period last year, representing an increase of 40.8%. Our EBITDA margin on net revenues came in at 19.7%, at the higher end of our 18 to 20% target range. Despite a lower overall utilization rate of about 3.0% of our workforce during the first quarter of 2009 as compared to 2008, we were able to maintain a profitable growth with solid execution of our projects and a tight control of our marketing, general and administrative expenses.

Net earnings before non-controlling interest for the first quarter of 2009 were $10.4 million or $0.45 cents per unit. First quarter results included $0.4 million in income taxes, mostly related to our international activities, $0.3 million in interest expenses, $1.4 million in depreciation of property, plant and equipment and $4.1 million in amortization of intangible assets.

During this first quarter, adjusted distributable cash totalled $12.1 million or $0.52 per unit, of which $8.8 million was distributed to unitholders, representing an adjusted payout ratio of 72.2%. Cash flows from operating activities were in excess of actual distributions declared by $4.3 million and earnings before non-controlling interest over cash distributions declared were also in excess by $1.7 million during this first quarter. Capital expenditures incurred during the first quarter were $3.5 million. Software licensing is always a significant portion of capital expenditures in the first quarter.

As at March 28, 2009, the Fund had a net cash position of ($14.1) million and unused credit facilities of $52.1 million.

Proposal activity in the first quarter of the year was active across all regions in the municipal infrastructure, transportation and buildings market segments, mostly driven by public sector activity. Backlog slightly increased to $316.9 million as at March 28, 2009. This represented 8.4 months of revenues based on our trailing-twelve-months revenues, which were adjusted to reflect the full contribution of the acquisitions completed during this period. Several projects were awarded to the Fund in the first quarter and included the following:

- Preliminary study for the integration of wind power energy (3 MW) at the Diavik Mine, Rio Tinto, Northwest Territories.

- Engineering and construction management services, new wind power production facility for a major European wind turbine manufacturer, Matane, Eastern Quebec.

- Detailed engineering for the rehabilitation of Highway 62 from Maynooth to Hickey Road West (8 km), Ontario Ministry of Transportation, Eastern Region.

- Project management for the transformation of Bonaventure expressway at the Montreal downtown gateway, Montreal Harbourfront Corporation, Quebec.

- Engineering services for the upgrading of Décarie Interchange/Highway 40 (northbound and southbound), Montreal, Quebec Ministry of Transportation, Quebec.

- Master plan, preliminary engineering and call for tenders for Hochelaga-Viau and Laurier-Tarte container terminals development, Montreal Ports Authority, Quebec.

- Project Management for the Student Learning Centre, Ryerson University, Toronto, Ontario.

- Mechanical, electrical, structural and civil engineering services, LEED certification services for the new Trade school (400 students), La Cité Collégiale, Ottawa, Ontario.

- Mechanical, electrical and structural engineering, fire protection and architectural services, Canadian Forces Base, Trenton, Defence Construction Canada, Ontario.

- Structural engineering services, Walmart projects in Ontario, Saskatchewan and British Columbia.

- Wastewater and stormwater master plan, Town of Markham, Ontario.

- Engineering services for wastewater treatment and water supply, Des parcs and Lac Saint-Louis Road sectors, City of Lery, Quebec.

- Engineering services for water and sewer infrastructure project, War Lake First Nation, Manitoba.

- Engineering services for steel watermain rehabilitation, City of Victoria, British Columbia.

- Detailed design, tender and construction services for trenchless rehabilitation of 3.5 km of large diameter high pressure supply mains, City of Victoria.

Subsequent to the quarter-end, the Fund completed the acquisitions of Algal and Associates ("Algal") and ENAQ. These two firms add approximately 30 employees to the Fund and enable us to strengthen our capabilities in the power sector and also to enter the nuclear power market. Algal is recognized as a leading provider of electrical engineering services for power generation, transmission and distribution systems. ENAQ is a niche player in the nuclear sector and brings world class expertise in the fields of nuclear licensing, safety analysis, risk assessment and nuclear engineering design.

SUMMARY OF QUARTERLY RESULTS

		2009	2008				2007		
	TTM	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
IN THOUSANDS OF DOLLARS, EXCEPT PER UNIT DATA	TRAILING TWELVE MONTHS (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO MARCH 28 (UNAUDITED)	FOR THE PERIOD FROM SEPTEMBER 28 TO DECEMBER 31 (UNAUDITED)	FOR THE PERIOD FROM JUNE 29 TO SEPTEMBER 27 (UNAUDITED)	FOR THE PERIOD FROM MARCH 30 TO JUNE 28 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO MARCH 29 (UNAUDITED)	FOR THE PERIOD FROM OCTOBER 1 TO DECEMBER 31 (UNAUDITED)	FOR THE PERIOD FROM JULY 1 TO SEPTEMBER 30 (UNAUDITED)	FOR THE PERIOD FROM APRIL 1 TO JUNE 30 (UNAUDITED)
Results of operations									
Revenues	$ 415,147	$ 97,431	$ 115,718	$ 104,650	$ 97,348	$ 70,087	$ 70,528	$ 68,543	$ 63,791
Net revenues (1)	$ 344,750	$ 84,804	$ 93,263	$ 85,814	$ 80,869	$ 60,148	$ 57,999	$ 53,602	$ 50,859
Gross margin	$ 174,552	$ 42,410	$ 47,910	$ 43,792	$ 40,440	$ 29,966	$ 28,762	$ 26,233	$ 24,578
EBITDA	$ 73,456	$ 16,725	$ 19,598	$ 19,670	$ 17,463	$ 11,878	$ 12,788	$ 11,685	$ 9,597
Net earnings	$ 27,621	$ 6,404	$ 6,226	$ 8,325	$ 6,666	$ 4,598	$ 5,676	$ 4,344	$ 2,603
Net earnings per unit									
Basic	$ 2.06	$ 0.45	$ 0.44	$ 0.65	$ 0.52	$ 0.36	$ 0.44	$ 0.38	$ 0.24
Diluted	$ 2.05	$ 0.45	$ 0.44	$ 0.64	$ 0.52	$ 0.35	$ 0.43	$ 0.38	$ 0.26
Weighted average number of units (2)		14,277,078	14,192,428	12,870,030	12,870,364	12,870,664	12,858,533	11,305,396	10,992,394
Diluted weighted average number of units		23,345,696	23,224,760	21,352,768	21,350,781	21,347,826	21,332,787	19,347,454	18,920,619
Distributable cash									
Distributable cash (4)									
Standardized	$ 31,927	$ 9,504	$ 10,321	$ 6,824	$ 5,278	$ 5,461	$ 18,293	$ 4,784	$ 1,623
Adjusted	$ 55,199	$ 12,125	$ 13,754	$ 16,078	$ 13,242	$ 9,798	$ 11,218	$ 9,575	$ 6,718
Distributable cash, per unit (3) (4)									
Standardized	$ 1.42	$ 0.41	$ 0.44	$ 0.32	$ 0.25	$ 0.26	$ 0.86	$ 0.25	$ 0.09
Adjusted	$ 2.48	$ 0.52	$ 0.59	$ 0.75	$ 0.62	$ 0.46	$ 0.53	$ 0.49	$ 0.36
Distributions declared	$ 41,377	$ 8,758	$ 19,268	$ 8,011	$ 5,340	$ 5,340	$ 11,749	$ 4,933	$ 4,730
Distributions declared, per unit (2)	$ 1.84	$ 0.38	$ 0.83	$ 0.38	$ 0.25	$ 0.25	$ 0.55	$ 0.25	$ 0.25
Payout ratio									
Adjusted	75.0%	72.2%	140.1%	49.8%	40.3%	54.5%	104.7%	51.5%	70.4%

(1) *Net revenues are defined as Revenues less subconsultants and other direct expenses (see glossary).*

(2) *As at March 28, 2009, 14,294,089 Fund units and 9,060,387 Exchangeable Class B and Class C LP units were outstanding for a total of 23,354,476 units. As at May 11, 2009, the number of units is identical to what it was as at March 28, 2009.*

(3) *Distributable cash per unit and distributions declared per unit amounts are calculated using the diluted weighted average number of units.*

(4) *Calculation of the distributable cash included foreign income taxes of $0.6 million for the three-month period ended March 28, 2009 ($- as at March 29, 2008).*

SELECTED CONSOLIDATED FINANCIAL INFORMATION

FINANCIAL HIGHLIGHTS

IN THOUSANDS OF DOLLARS, EXCEPT PER UNIT DATA	3 months	
	2009	2008
	FOR THE PERIOD FROM JANUARY 1 TO MARCH 28 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO MARCH 29 (UNAUDITED)
Net revenues	$ 84,804	$ 60,148
EBITDA	$ 16,725	$ 11,878
Net earnings	$ 6,404	$ 4,598
Net earnings per unit		
Basic	$ 0.45	$ 0.36
Diluted	$ 0.45	$ 0.35

IN THOUSANDS OF DOLLARS	3 months	
	2009	2008
	FOR THE PERIOD FROM JANUARY 1 TO MARCH 28 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO MARCH 29 (UNAUDITED)
Distributable cash (1)		
Standardized	$9,504	$5,461
Adjusted	$12,125	$9,798
Aggregate Distributions, all units	$ 8,758	$ 5,340
Payout ratio		
Adjusted	72.2%	54.5%

BALANCE SHEETS

IN THOUSANDS OF DOLLARS	2009	2008
	AS AT MARCH 28 (UNAUDITED)	AS AT DECEMBER 31 (AUDITED)
Total assets	$ 438,735	$ 427,187
Long-term financial liabilities (2)	$ 46,269	$ 26,546

(1) Calculation of the distributable cash included foreign income taxes of $0.6 million for the three-month period ended March 28, 2009 ($- as at March 29, 2008).

(2) Long-term financial liabilities consist of balances of purchase price payable and long-term debt, including current portions, and bank advances.

RESULTS OF OPERATIONS

IN THOUSANDS OF DOLLARS EXCEPT PER UNIT DATA	3 months	
	2009	2008
	FOR THE PERIOD FROM JANUARY 1 TO MARCH 28 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO MARCH 29 (UNAUDITED)
Revenues	**$ 97,431**	**$ 70,087**
Deduct: Subconsultants and other direct expenses	$ 12,627	$ 9,939
Net revenues	**$ 84,804**	**$ 60,148**
Direct project costs	$ 42,394	$ 30,182
Gross margin	**$ 42,410**	**$ 29,966**
Marketing, general, and administrative expenses and others	$ 25,685	$ 18,088
EBITDA	**$ 16,725**	**$ 11,878**
Interest	$ 319	$ 121
Depreciation of property, plant and equipment	$ 1,398	$ 854
Amortization of intangible assets	$ 4,143	$ 3,440
Earnings before income taxes and non-controlling interest	**$ 10,865**	**$ 7,463**
Income taxes (1)	$ 447	($ 107)
Earnings before non-controlling interest	**$ 10,418**	**$ 7,570**
Non-controlling interest	$ 4,014	$ 2,972
Net earnings	**$ 6,404**	**$ 4,598**
Basic net earnings per unit	**$ 0.45**	**$ 0.36**
Weighted average number of units	14,277,078	12,870,664
Diluted net earnings per unit	$ 0.45	$ 0.35
Diluted weighted average number of units	23,345,696	21,347,826

(1) See section "Results of operations – Income taxes."

RESULTS OF OPERATIONS

Revenues

We operate in one reporting segment, which is commonly referred to as consulting services. We believe that our financial performance and our results should be measured and analyzed in relation to our fee-based revenues, or net revenues, since direct recoverable costs can vary significantly from contract to contract and are not indicative of our Engineering Services business.

Our revenues for the three-month period ended March 28, 2009, increased by $27.3 million (39.0%) from $70.1 million in 2008, to $97.4 million in 2009.

Our net revenues, expressed as revenues less direct costs for subconsultants and other direct expenses that are recoverable directly from our clients, amounted to $84.8 million for the three-month period ended March 28, 2009, and to $60.1 million for the corresponding period in 2008, which represents an increase of $24.7 million (41.0%).

The following tables summarize the impact of business acquisitions and organic growth on both revenues and net revenues:

IN THOUSANDS OF DOLLARS	3 months	
Revenues	Variation 2009 vs. 2008	%
Acquisition growth (1)	$ 16,454	23.48%
Organic growth (1)	$ 10,890	15.53%
Total increase	$ 27,344	39.01%

IN THOUSANDS OF DOLLARS	3 months	
Net revenues	Variation 2009 vs. 2008	%
Acquisition growth (1)	$ 13,853	23.03%
Organic growth (1)	$ 10,803	17.96%
Total increase	$ 24,656	40.99%

(1) Acquisition growth is calculated from the average per quarter revenues of the acquired business at the acquisition's date. The total growth of the Fund that exceeds the acquisition growth is presented as organic growth.

For the three-month period ended March 28, 2009, on a net revenues basis, acquisition growth accounted for $13.9 million, from which $1.0 million was generated by way of the acquisitions concluded in the first quarter of 2009 and $12.9 million by way of the acquisitions concluded in 2008. Out of this amount, the acquisitions of EXH Engineering and Henderson Paddon & Associates / Oweson accounted for $6.1 million of the increase.

From March 2008 to March 2009, the number of employees increased by 25.0%, from 2,800 to approximately 3,500 employees. Of this increase, about 10.0% came through recruitment of new staff.

Also, it is important to note that this trend in growth will not necessarily be sustainable in the future.

Expenses

Our operating expenses consist of two major components which are our direct project costs and marketing, general and administrative expenses and others. Direct project costs include payroll costs relating to the delivery of consulting services and project delivery. Marketing, general and administrative expenses and others include payroll costs of marketing and other administrative support staff, such as accounting, communications, information technology, quality, health and safety, purchasing and human resources, as well as other fixed costs such as occupancy costs, non-recoverable client services costs, technology costs, office costs, professional services costs and insurance.

Other expenses include depreciation of property, plant and equipment, amortization of intangible assets, interest expenses and exchange gain or loss.

We believe that the key performance indicators of our business are direct project costs, gross margin and marketing, general, and administrative expenses and others, all of which are expressed as a percentage of net revenues.

Direct project costs

For the three-month period ended March 28, 2009, direct project costs represented 50.0% of net revenues compared to 50.2% for the same period in 2008.

As a percentage of net revenues, direct project costs for the last four quarters were as follows:

- 50.0% Q1-2009
- 48.6% Q4-2008
- 49.0% Q3-2008
- 50.0% Q2-2008

Despite a lower overall utilization rate of about 3% of our workforce during the first quarter of 2009 as compared to 2008, we were able to maintain a solid performance and profitability on projects.

Gross margin

For the three-month period ended March 28, 2009, the gross margin represented 50.0% of net revenues compared to 49.8% for the same period in 2008.

As a percentage of net revenues, gross margin over the last four quarters was as follows:

- 50.0% Q1-2009
- 51.4% Q4-2008
- 51.0% Q3-2008
- 50.0% Q2-2008

As previously mentioned, we maintained a solid performance and profitability on projects, despite a lower overall utilization rate of our workforce.

Marketing, general and administrative expenses and others

Marketing, general and administrative expenses and others for the three-month period ended March 28, 2009, increased to $25.7 million compared to $18.1 million for the same period in 2008. As a percentage of net revenues, marketing, general and administrative expenses and others represented 30.3% for the three-month period ended March 28, 2009, compared to 30.1% for the same period in 2008.

As a percentage of net revenues, marketing, general, and administrative expenses and others for the last four quarters were as follows:

- 30.3% Q1-2009
- 30.4% Q4-2008
- 28.1% Q3-2008
- 28.4% Q2-2008

Marketing, general and administrative expenses and others are not in direct relation with net revenues and therefore may fluctuate from quarter to quarter.

The decrease of the utilization rate of our workforce also had an impact on the marketing, general and administrative expenses and others since there was more staff time charged to non-billable projects.

EBITDA

EBITDA for the three-month period ended March 28, 2009, stood at $16.7 million, up $4.8 million from $11.9 million for the same period in 2008, thus representing a 40.8% increase. As a percentage of net revenues, EBITDA margin both stood at 19.7% for the three-month period ended March 28, 2009, and for the same period in 2008.

As a percentage of net revenues, EBITDA for the last four quarters were as follows:

- 19.7% Q1-2009
- 21.0% Q4-2008
- 22.9% Q3-2008
- 21.6% Q2-2008

Despite the decrease in the EBITDA margin in the first quarter of 2009 compared to the third and fourth quarters of 2008, we are still in our target range of 18% to 20% EBITDA margin on net revenues.

Depreciation and amortization

Depreciation of property, plant and equipment for the three-month period ended March 28, 2009, was $1.4 million compared to $0.9 million for the same period in

2008. The underlying cause is the depreciation of additional assets acquired through various business acquisitions.

Amortization of intangible assets for the three-month period ended March 28, 2009, was $4.1 million compared to $3.4 million for the same period in 2008. The amortization expense increase is attributable to the business acquisitions completed in 2008 and 2009.

Interest

Interest expense for the three-month period ended March 28, 2009, amounted to $0.3 million compared to $0.1 million for the same period in 2008. The interest expense can be explained by a higher debt position during the first quarter of 2009 than in 2008.

Income taxes

For the three-month period ended March 28, 2009, the Fund recognized an amount of $0.4 million as an income tax expense compared to a recovery of $0.1 million for the same period in 2008. This expense included foreign income taxes of $0.6 million.

On October 31, 2006, the Minister of Finance (Canada) announced new tax measures proposing changes to the manner in which certain specified investment flow-through entities ("SIFT"), such as publicly-traded income trusts, and the distributions from such entities are taxed (the "SIFT Rules"). Bill C-52, which received Royal Assent on July 2, 2007, contained and implemented the SIFT Rules.

The SIFT Rules will subject the Fund to trust level taxation as of January 1, 2011, at a rate comparable to the combined federal and provincial corporate tax rate applicable to certain types of income (other than taxable dividends). In addition, the taxable distributions received by Unitholders will, as of January 1, 2011, be treated as dividends from a taxable Canadian corporation but the tax treatment of distributions that are paid as a return of capital by a SIFT will not be changed. There can be no assurance that the Fund will be able to maintain the same level of distributions commencing in 2011.

The Fund will be able to retain the benefit of the deferred application of the SIFT Rules. If, during the period from and including November 1, 2006 to December 31, 2010, the Fund is deemed to have undergone "undue expansion", as described in the guidelines on normal growth issued by the Department of Finance (Canada) (the "Normal Growth Guidelines"), the SIFT Rules will become applicable to the Fund on a date earlier than January 1, 2011.

Under the Normal Growth Guidelines, a SIFT will not lose the benefit of the deferred application of the new tax regime to 2011 if the aggregate amount of new equity (which will include units and debt that is convertible into units and potentially other substitutes for such equity) issued by it during any of intervening years up to 2011 does not exceed the greater of $50.0 million and an objective ″safe harbor“ amount equal to a certain percentage of the Fund's market capitalization as of the end of trading on October 31, 2006 ("October 31, 2006, Market Capitalization").

On February 25, 2009, the Minister of Finance released explanatory notes related to the Normal Growth Guidelines to accelerate the safe harbor amounts of 2009 and 2010 to make them available immediately, as initially announced in 2008. This change would generally allow a trust like the Fund to use the remaining growth room (including where applicable the $50.0 million "de minimis" amount) in a single year rather than incrementally over 2009 and 2010.

Considering its October 31, 2006, Market Capitalization and the 2008 and 2007 issuance of Fund units and interests convertible into Fund units, $100.0 million of Fund units and interests convertible into Fund units may be issued in a single year rather than incrementally over 2009 and 2010.

Recent legislative changes allow a SIFT to "convert" to taxable Canadian corporations without any adverse tax consequences to either the Trust or its unitholders (the "Conversion Rules"). More precisely, the Conversion Rules contemplate two distinct alternative approaches to converting a SIFT into a corporation and collapsing the underlying structure. The first involves the wind-up of a SIFT onto a taxable Canadian corporation. The second involves the distribution by a SIFT of shares of an underlying taxable Canadian corporation to unitholders. In light of the Conversion Rules and the upcoming tax under the SIFT Rules, the Fund will start a review and analysis of these rules taking into account what would be in the best interest of the unitholders.

Any relevant information will be considered in order to assess the optimal structure of the Fund in the future.

Net earnings and earnings per unit

The Fund's net earnings for the three-month period ended March 28, 2009, were $6.4 million or $0.45 per unit on a basic and diluted basis compared to $4.6 million or $0.36 per unit on a basic basis and $0.35 on a diluted basis for the same period in 2008.

DISTRIBUTABLE CASH

Distributable cash is calculated in accordance with the recommendations provided in CICA's publication "Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities." A complete definition of distributable cash is provided at the end of this MD&A in the glossary. The Fund also calculated an adjusted distributable cash, which is defined as standardized distributable cash adjusted for items that management believes are appropriate for the determination of levels of distributions. Distributions are based on actual historical and estimated future performance of the Fund on a full-year basis. Consequently, periodic fluctuations in non-cash working capital are not considered when evaluating the cash flows available for distribution.

DISTRIBUTABLE CASH

IN THOUSANDS OF DOLLARS EXCEPT PER UNIT DATA	3 months 2009 FOR THE PERIOD FROM JANUARY 1 TO MARCH 28 (UNAUDITED)	3 months 2008 FOR THE PERIOD FROM JANUARY 1 TO MARCH 29 (UNAUDITED)
Cash flows from operating activities	**$ 13,050**	**$ 7,391**
Capital expenditures paid	($ 3,546)	($ 1,930)
Standardized distributable cash (1)	**$ 9,504**	**$ 5,461**
Change in non-cash working capital items (2)	$ 2,621	$ 4,337
Adjusted distributable cash (1)	**$ 12,125**	**$ 9,798**
Adjusted distributable cash, per unit (1) (3)	**$ 0.52**	**$ 0.46**
Payout ratio		
Standardized	**92.2%**	**97.8%**
Adjusted	**72.2%**	**54.5%**
Distributions		
Fund's units distributions	$ 5,360	$ 3,224
Class B Exchangeable LP Unit distributions	$ 1,623	$ 934
Class C Exchangeable LP Unit distributions	$ 1,775	$ 1,182
Aggregate distributions, all units	**$ 8,758**	**$ 5,340**
Aggregate distributions, all units, per unit (3)	**$ 0.38**	**$ 0.25**

(1) Calculation of the distributable cash included foreign income taxes of $0.6 million for the three-month period ended March 28, 2009 ($- as at March 29, 2008).

(2) Distributions are based on actual historical and estimated future performance of the Fund on a full-year basis. Consequently, periodic fluctuations in non-cash working capital are not considered when evaluating the cash flows available for distribution.

(3) Distributable cash per unit and distributions declared per unit amounts are calculated using the diluted weighted average number of units.

During the three-month period ended March 28, 2009, the Fund generated $12.1 million of adjusted distributable cash compared to $9.8 million for the same period in 2008.

The adjusted payout ratio for the quarter is 72.2% compared to 54.5% for the same period in 2008. This increase is mainly due to the increase in the level of distributions from $0.250 per unit in the first quarter of 2008 to $0.375 per unit in the first quarter of 2009.

Relation between capital expenditure and productive capacity

The Fund is not a capital-intensive business. Capital expenditures incurred by the Fund consist mainly of expenditures pertaining to office furniture and information technology software and hardware. Although these capital expenditures are affected by a change in the number of employees, they are mainly driven by an employee's productivity maintenance objective. To reach this objective, the Fund recognized the need to ensure a stimulating work environment, enjoyable working conditions and ongoing training. Investments in capital expenditures are primarily required to update technology and systems in a context of organic growth but also to upgrade to our standards the information technology software and hardware of the acquired businesses.

Long-term incentive plan ("LTIP")

On April 21, 2008, the Board of Fund Trustees and the Board of Directors decided to terminate the LTIP in accordance with its terms. The LTIP awards credited to the participants under the LTIP will continue to be subject to the time-based vesting provisions described in the LTIP as if the LTIP was never terminated.

CASH DISTRIBUTION

Since the beginning of its operations on May 2006 and until June 2008, the Fund declared a monthly distribution of $0.0833 per unit or $1.00 per unit on an annualized basis. Since July 2008, the monthly distribution is $0.1250 per unit or $1.50 per unit on an annualized basis. On December 2008, the Fund announced a one-time special distribution of $0.45 per unit for unitholders of record at the close of business on December 31, 2008, compared to a one-time special distribution of $0.30 per unit on November 2007. The one-time special distribution of December 2008 was paid in January 2009.

	3 months	
	2009	**2008**
IN THOUSANDS OF DOLLARS	FOR THE PERIOD FROM JANUARY 1 TO MARCH 28 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO MARCH 29 (UNAUDITED)
Cash flows from operating activities	**$ 13,050**	**$ 7,391**
Net earnings	$ 6,404	$ 4,598
Non-controlling interest	$ 4,014	$ 2,972
Earnings before non-controlling interest	**$ 10,418**	**$ 7,570**
Actual cash distributions declared	**$ 8,758**	**$ 5,340**
Excess of cash flows from operating activities over cash distributions declared	$ 4,292	$ 2,051
Excess of earnings before non-controlling interest over cash distributions declared	$ 1,660	$ 2,230

Excess of cash flows from operating activities over cash distributions declared

Cash flows from operating activities exceeded the cash distributions by $4.3 million for the three-month period ended March 28, 2009, compared to an excess of cash flows over cash distributions of $2.1 million for the same period in 2008.

Excess of earnings before non-controlling interest over cash distributions declared

For the three-month period ended March 28, 2009, earnings before non-controlling interest are higher than the cash distributions declared by $1.7 million. It is important to note that the Fund does not use net earnings as a basis to calculate cash distributions because net earnings, in accordance with GAAP, are determined after deducting expenses which do not affect cash such as amortization of intangible assets including non-competition agreements, customer relationships and contract backlogs. As a result of the Fund's acquisitions over the past years, its net earnings have been impacted by significant intangible amortization. The costs of these intangible assets are included in the purchase price but there are no future cash outflows associated with these intangible assets. If the impact of intangible amortization is excluded, cash distributions declared exceeded earnings before non-controlling interest by $5.8 million for the three-month period ended March 28, 2009, compared to the $5.7 for the corresponding period of 2008.

BACKLOG

As at March 28, 2009, our backlog, which represents future revenues that stem from existing signed contracts to be executed, stood at $316.9 million. As at March 29, 2008, our backlog was $294.1 million. On a comparative basis, this represents an increase of $22.8 million (7.8%) of which $7.3 million came from acquisitions completed in Q1-2009. If we consider that our field of business measures backlog in terms of months of work, we can foresee that it represents approximately 8.4 months of upcoming work.

- $316.9 million Q1-2009
- $314.1 million Q4-2008
- $305.0 million Q3-2008
- $300.4 million Q2-2008

LIQUIDITY

IN THOUSANDS OF DOLLARS	3 months 2009 FOR THE PERIOD FROM JANUARY 1 TO MARCH 28 (UNAUDITED)	3 months 2008 FOR THE PERIOD FROM JANUARY 1 TO MARCH 29 (UNAUDITED)
Cash Flows		
Cash flows from operating activities	$ 13,050	$ 7,391
Cash flows from financing activities	($ 3,057)	$ 24,124
Cash flows from investing activities	($ 9,165)	($ 28,829)
Net change in cash position during the period	**$ 828**	**$ 2,686**
Distributions paid	**($ 19,268)**	**($ 5,340)**
Capital expenditures	**($ 3,546)**	**($ 1,930)**

Cash flows from operating activities

For the three-month period ended March 28, 2009, operating activities generated $15.7 million and non-cash working capital items used $2.6 million, for a total net cash flows from operating activities of $13.1 million. The decrease in accounts receivable of $7.6 million was offset by an increase in prepaid expenses of $0.7 million, an increase in costs and anticipated profits in excess of billings of $0.6 million, a decrease in accounts payable and accrued liabilities of $6.8 million and a decrease in billings in excess of costs and anticipated profits of $2.0 million.

Accounts receivables and costs and anticipated profits in excess of billings represent approximately 101 days of annual sales, which is comparable to the previous quarters and to the industry standards for comparable businesses.

Cash flows from financing activities

For the three-month period ended March 28, 2009, net financing activities used $3.1 million of cash. Out of this amount, $17.1 million was generated by the bank advances net of the repayment of long-term debt. On the other hand, $19.3 million was used to pay distributions to unitholders including the one-time special distribution of December 2008 and $0.8 million was used for the payment of balances of purchase prices related to business acquisitions.

Cash flows from investing activities

For the three-month period ended March 28, 2009, investing activities used $9.2 million of cash. Business acquisitions totalled $5.6 million of this amount and capital expenditures, net of proceeds from disposal of property, plant and equipment, $3.6 million.

Net cash position

As at March 28, 2009, the net cash position of the Fund amounted to ($14.1) million as detailed hereafter:

IN THOUSANDS OF DOLLARS	2009 AS AT MARCH 28 (UNAUDITED)	2008 AS AT DECEMBER 31 (AUDITED)
Cash and cash equivalents	$ 15,537	$ 14,709
Bank advances	($29,615)	($ 10,668)
Net cash position	**($14,078)**	**$ 4,041**

Management believes that the cash flows are strong enough to sustain organic growth and continue to finance the distributions to unitholders through cash generated from its operations. Up until now, the credit facilities have been mainly used to complete business acquisitions and to pay distributions to unitholders.

The Fund has credit facilities, totalling $82.0 million, allocated as follows:

Term facility

Term facility of $80.0 million for operations and for the financing of acquisitions. The term facility may also be used for the payment of distributions to unitholders up to a maximum amount of $10.0 million.

Treasury facility

Facility of $2.0 million to hedge against interest rate risks and foreign exchange risks.

These credit facilities mature in May 2011. At any time prior to the maturity date, the borrower may elect to repay all or a part of the term loan credit facility. The term of the credit facilities can be extended each year, for an additional one-year period, subject to the prior approval of the lender. The credit facilities are fully repayable at maturity without any prepayment penalties, except for banker's acceptances and LIBOR advances.

These credit facilities are secured by a first ranking hypothec over the universality of movable assets of GENIVAR LP and those of some of its subsidiaries. These credit facilities bear interest at prime rate for Canadian currency advances and US base rate for US currency advances. A variable fee, based on different level of covenants, is applicable on LIBOR advances.

Under these credit facilities, GENIVAR LP, a Fund's subsidiary, is required, among other conditions, to respect certain covenants on a consolidated basis, which have been met as at March 28, 2009.

As at March 28, 2009, the Fund had unused credit facilities of $52.1 million, net of outstanding letters of credit of $0.3 million.

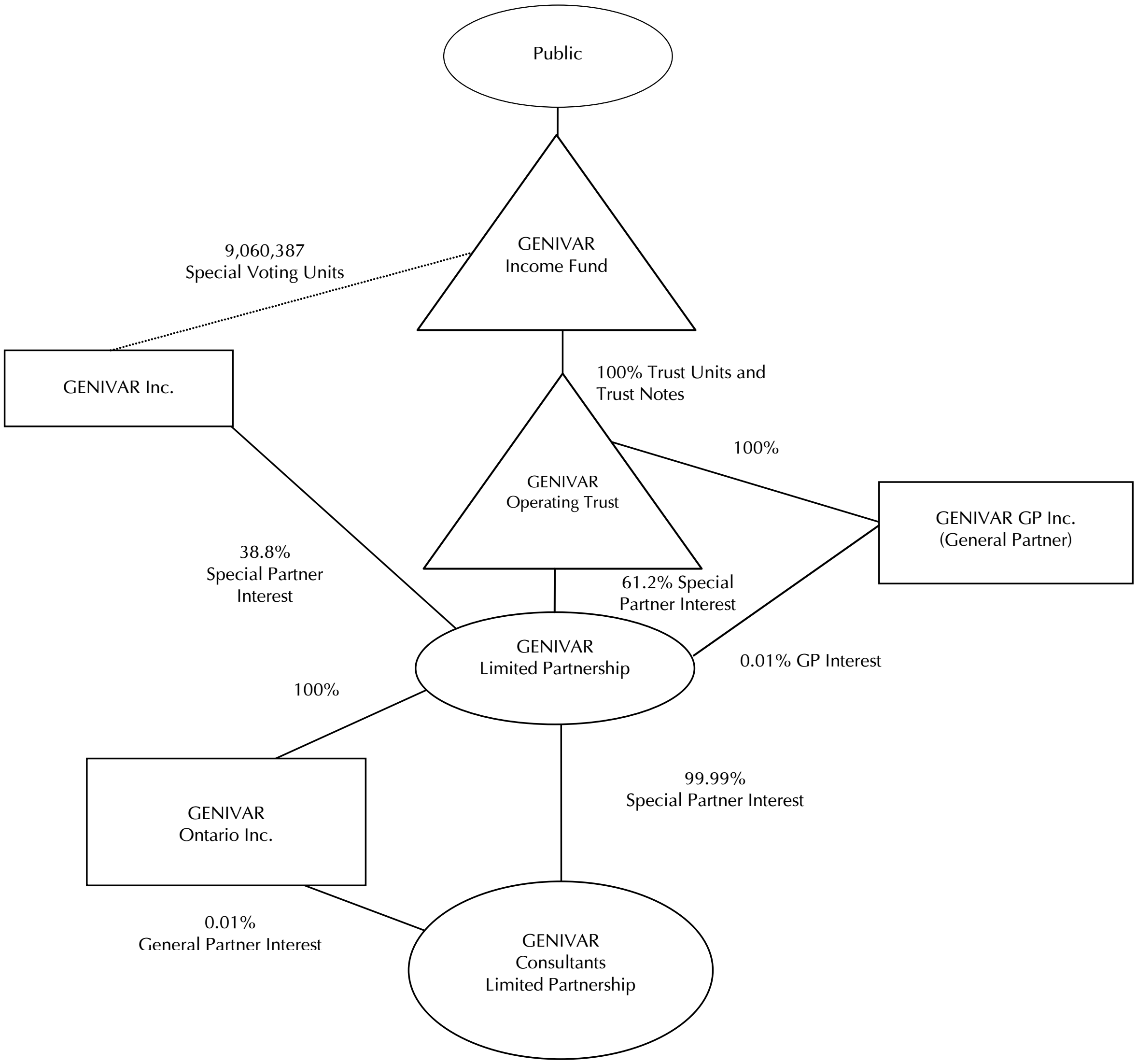
THE FUND

The Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Quebec pursuant to the Fund's declaration of trust made as of March 31, 2006, as amended and restated on May 16, 2006. The Fund was created to indirectly acquire and hold a limited partnership interest in GENIVAR LP and all of the outstanding shares of GENIVAR GP Inc., the general partner of GENIVAR LP. GENIVAR LP has been formed to acquire, own and operate the GENIVAR Engineering Services Business. The Fund is entirely dependent upon the operations and assets of GENIVAR LP and its subsidiaries. The Fund began its operations on May 25, 2006, after the completion of an initial public offering.

On September 13, 2007, the Fund issued, pursuant to a public offering, $50.0 million in new equity from which $11.0 million were invested directly and indirectly by GENIVAR inc., the Non-controlling Unitholder. After this transaction, the Fund owned 12,902,439 Class A LP Units of GENIVAR LP representing a 60.4% interest (58.1% before this transaction). The Non-controlling Unitholder holds 3,732,121 Exchangeable Class B LP Units and 4,731,845 Exchangeable Class C LP Units of GENIVAR LP, together representing the remaining 39.6% interest in GENIVAR LP (41.9% before this transaction). In addition, the Non-controlling Unitholder held 8,463,966 Special Voting Units of the Fund.

On October 2, 2008, the Fund issued pursuant to a public offering, $50.0 million in new equity from which $15.0 million were invested directly and indirectly by GENIVAR inc., the Non-Controlling Unitholder. After this transaction, the Fund owned 14,294,089 Class A LP Units of GENIVAR LP representing a 61.2% interest (60.4% before this transaction). The Non-controlling Unitholder holds 9,060,387 Exchangeable LP Units (4,328,542 Exchangeable Class B LP Units and 4,731,845 Exchangeable Class C LP Units), together representing the remaining 38.8% interest in GENIVAR LP (39.6% before this transaction). The Exchangeable LP Units are exchangeable at any time into units on a one-for-one basis, subject to an adjustment. In addition, the Non-controlling Unitholder holds 9,060,387 Special Voting Units of the Fund. These Special Voting Units are the only ones currently outstanding. Each Special Voting Units will be cancelled upon the exchange of an Exchangeable LP Unit. The net proceeds of the public offering have been used to reimburse the bank advances.

The following chart illustrates, on a simplified basis, the structure of the Fund as at March 28, 2009:



Certain subsidiaries, each of which represent not more than 10% of the consolidated assets and not more than 10% of the consolidated revenues of the Fund, and all of which, in the aggregate, represent not more than 20% of the total consolidated assets and the total consolidated revenues of the Fund as at March 28, 2009, have been omitted.

GOVERNANCE

Internal control over financial reporting

There were no changes in the Fund's internal control over financial reporting that occurred during the period ended March 28, 2009, that has materially affected, or is reasonably likely to materially affect the Fund's internal controls over financial reporting.

CRITICAL ACCOUNTING POLICIES

The Fund's unaudited interim consolidated financial statements have been prepared in accordance with Canadian GAAP and are based on the same accounting policies as the ones used in the preparation of the Fund's 2008 annual audited consolidated financial statements, except for the standards described below. Please refer to the Fund's 2008 annual audited consolidated financial statements for more information about the significant accounting principles used to prepare the financial statements.

New accounting standards

On January 1, 2009, the Fund adopted Section 3064, "Goodwill and Intangible Assets," issued by the Canadian Institute of Chartered Accountants ("CICA"). This Section replaces Section 3062, "Goodwill and Other Intangible Assets" and Section 3450, "Research and Development Costs." This Section establishes standards for the recognition measurement, presentation and disclosure of goodwill and intangible assets.

On January 20, 2009, the Fund adopted Emerging Issues Committee No. 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities" (EIC-173) issued by the CICA. This Abstract clarifies that an entity's own credit risk and the credit risk of its counterparty should be taken into account in determining the fair value of financial assets and liabilities.

The application of these standards had no significant impact on the Fund's consolidated results of operations or financial position.

Future accounting standards

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP and IFRS over an expected five-year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011, will require the restatement for comparative figures reported by the Fund for the year ended December 31, 2010.

The Fund has begun the process to transition from Canadian GAAP to IFRS. It has established a project plan and project team. The project team is led by finance management and includes representatives from various areas of the organization as necessary to plan for and achieve a proper transition to IFRS.

The project plan consists of four phases: conception and evaluation, solution development, implementation and analysis after implementation. The Fund has completed the first phase, and is currently engaged in the solution development phase for some differences established during the initial diagnostic. It involves choosing the appropriate accounting standards, calculating the impacts of change in accounting standards, training and updating the processes and controls. During the implementation phase, the Fund will execute the required changes to business processes and financial systems. All employees affected by IFRS will receive training.

During the first quarter of 2009, the Fund maintained its efforts in the solution development phase and continued to review all proposed projects by AcSB and by International Accounting Standards Board that may affect the timing, nature or disclosure of its adoption of IFRS. Regular reporting is provided to the Fund's senior executive management and to the audit committee. At this time, the impact of the change to IFRS on consolidated financial statements cannot be reasonably established.

Business combinations

The CICA published Section 1582, "Business Combinations." This new section will be applicable to business combinations for which the acquisition date is on or after January 1, 2011. Early adoption is permitted. This section improves the relevance, reliability and comparability of the information that a reporting entity provides in its financial statements about a business combination and its effects. This section provides the Canadian equivalent to IFRS 3, "Business Combinations." The Fund has not yet determined the impact of the adoption of this new section on its consolidated financial statements.

Consolidated financial statements

The CICA published Section 1601, "Consolidated Financial Statements." This section will be applicable to the Fund's interim and annual financial statements for the year beginning on January 1, 2011. Early adoption is permitted. This section establishes standards for the preparation of consolidated financial statements. The Fund has not yet determined the impact of the adoption of this new Section on its consolidated financial statements.

Non-controlling interest

The CICA published Section 1602, "Non-controlling Interests." This section will be applicable to the Fund's interim and annual financial statements for the year beginning on January 1, 2011. Early adoption is permitted. This section establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. This section is equivalent to the corresponding requirements of International Accounting Standard IAS 27, "Consolidated and Separate Financial Statements." The Fund has not yet determined the impact of the adoption of this new section on its consolidated financial statements.

RELATED PARTY TRANSACTIONS

The Fund enters into transactions with GENIVAR inc., the Non-controlling Unitholder, in connection with certain business acquisitions. Generally, GENIVAR inc. acquires all of the outstanding shares of a company and sells the net assets of the acquired company to GENIVAR LP or one of its subsidiaries. The purchase price for GENIVAR LP or one of its subsidiaries is identical to the shares' purchase price paid by GENIVAR inc., taking into account certain assets or liabilities that are not or cannot be transferred, which price has been concluded with unrelated parties. This acquisition strategy has been realized to facilitate the Fund's negotiations related to the acquisition of targeted companies. As a result, the transaction yields fiscal benefits for both the vendors and GENIVAR LP or one of its subsidiaries. The Fund acquired Envirotel, WSA, ENTRA and WES during the quarter and Algal and ENAQ subsequent to the quarter end.

OFF-BALANCE SHEET AGREEMENTS

There were no off-balance sheet agreements as at March 28, 2009.

CONTRACTUAL OBLIGATIONS

The following tables provide a summary of the Fund's long-term contractual obligations.

IN THOUSANDS OF DOLLARS	Less than a year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	After 5 years	Total
Bank advances	-	-	31,220	-	-	-	31,220
Balances of purchase price payable, including current portion	15,101	1,967	-	-	-	-	17,068

IN THOUSANDS OF DOLLARS	9 months	2010	2011	2012	2013	Thereafter	Total
Operating lease commitments	10,031	12,153	10,979	9,691	7,984	29,537	80,375

SUBSEQUENT EVENTS

In April and May 2009, the Fund acquired all the assets and liabilities of Algal and ENAQ, two Canadian consulting and engineering firms.

RISK FACTORS

The results of operations, business prospects and the financial condition of the Fund are subject to a number of risks ad uncertainties and are affected by a number of factors outside of our control. This may cause a decline of the price of the Units and our ability to make distributions on the Units could be adversely affected.

The Fund's risks and uncertainties have not materially changed from those described in the Fund's 2008 Annual Report.

GLOSSARY

Net revenues

Net revenues are defined as revenues from consulting services less direct costs for subconsultants and other direct expenses that are recoverable directly from our clients. Net revenues are not a measure in accordance with GAAP and do not have standardized meaning prescribed by GAAP. Therefore, net revenues may not be comparable to similar measures presented by other issuers. Investors are cautioned that net revenues should not be construed as an alternative to revenues for the period (as determined in accordance with GAAP), as an indicator of the Fund's performance.

EBITDA

EBITDA is defined as earnings before interest, tax, depreciation, and amortization. EBITDA is not an earnings measure in accordance with GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, EBITDA may not be comparable to similar measures presented by other issuers.

Distributable cash

Distributable cash is calculated in accordance with the recommendations provided in CICA's publication "Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities." Standardized distributable cash is defined as cash flows from operating activities as reported in the GAAP financial statements, including the effects of changes in non-cash working capital items and any operating cash flows provided from or used in discontinued operations, less adjustments for:

(a) total capital expenditures as reported in the GAAP financial statements; and
(b) restrictions on distributions arising from compliance with financial covenants restrictive at the date of the calculation of standardized distributable cash and limitations arising from the existence of a minority interest in a subsidiary.

The Fund also calculated an adjusted distributable cash, which is defined as standardized distributable cash adjusted for entity-specific adjustment items that management believes are appropriate for the determination of levels of distributions.

Payout ratio

Standardized payout ratio is defined as aggregate cash distributions divided by standardized distributable cash. Adjusted payout ratio is defined as aggregate cash distributions divided by adjusted distributable cash.