GENIVAR

GENIVAR Income Fund

Third Quarter Report

For the three-month period ended September 27, 2008

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 November 11, 2008, is intended to assist readers in understanding the GENIVAR Income Fund (the "Fund"), 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 interim consolidated financial statements and accompanying notes of the Fund for the period ended September 27, 2008. The Fund's interim 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 third-quarter results, being from June 29, to September 27, 2008. The Fund's quarters comprise 13 weeks except the last one, which has to end on December 31 of each year.

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 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. The Fund applies the recommendations provided in CICA's publication "Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities" to calculate the distributable cash and payout ratio.

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 people 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 more than 3,400 managers, professionals, technicians and technologists and support staff in over 80 offices in Canada and abroad.

HIGHLIGHTS

The following MD&A covers the period from June 29, 2008 to September 27, 2008, which is the third quarter of the second full fiscal year of the GENIVAR Income Fund.

The Fund had a strong financial performance in the third quarter of 2008. The Fund maintained quarter over quarter increases in revenues and net revenues as a result of strong organic growth and the contribution of recent acquisitions. Revenues were $104.7 million, up from $68.5 million for the same period in 2007, representing an increase of 52.7%. Net revenues were $85.8 million, an increase of 60.1% over 2007. Strong organic growth accounted for 22.4% of this increase in net revenues, the remaining 37.7% resulting from acquisitions. Municipal and transportation infrastructure projects generated 49.9% of net revenues during the third quarter, reflecting the contribution of the EXH and Henderson Paddon/Oweson acquisitions and the seasonal construction period for infrastructure work. The Fund generated 45.6% of its net revenues in municipal and transportation infrastructure for the nine month period ending September 27, 2008.

Operational performance remained excellent with EBITDA, during the period from June 29 to September 27, 2008, at $19.7 million representing a margin of 22.9% on net revenues. This strong performance resulted in record total earnings before income taxes and non-controlling interest of $13.9 million or $0.65 per unit. Adjusted distributable cash totalled $16.1 million of which $8.0 million were distributed to unitholders, representing an adjusted payout ratio of 49.8%. Year to date adjusted distributable cash is $39.1 million of which $18.7 million were distributed to unitholders, representing $0.87 per unit and an adjusted payout ratio of 47.8%.

As at September 27, 2008, backlog remained strong at $305.0 million and represented 9.5 months of revenues based on our trailing-twelve-month revenues, which were adjusted to reflect the full contribution of the acquisitions completed during this period.

The Fund completed four acquisitions during the third quarter, including Peterson Galloway, a British Columbia building engineering firm, Zenix Engineering, an Ontario building engineering firm, Solmers, a Quebec environmental engineering firm, Henderson Paddon & Associates/Oweson, an Ontario-based civil engineering and environmental consulting firms. Subsequent to the end of the quarter, the Fund completed the acquisitions of two Quebec-based firms, Consultants GÉNIPLUS/Nageco, a 68-year-old structural building and bridge firm and Consumaj Estrie, a Sherbrooke-based environmental and municipal infrastructure firm.

Subsequent to quarter end, on October 2, 2008, the Fund successfully closed a $50 million financing of which $35 million was raised through a public offering of 1,391,650 units at a price of $25.15 and the remainder by means of a private placement to GENIVAR inc. (the Non-Controlling Unitholder) of 596,421 units, at the same price, for proceeds of $15 million. The total net proceeds of approximately $47.8 million were used to reimburse the Fund's debt. As of September 27, 2008, the Fund had total long-term financial liabilities of $65.9 million and cash and cash equivalents of $19.9 million. After giving effect to the equity financing, the Fund has a solid balance sheet and is well positioned to continue its growth strategy through organic initiatives and strategic acquisitions.

SUMMARY OF QUARTERLY RESULTS

IN THOUSANDS OF DOLLARS, EXCEPT PER UNIT DATA	TTM	2008 Q3	2008 Q2	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4
	TRAILING TWELVE MONTHS (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)	FOR THE PERIOD FROM JANUARY 1 TO MARCH 31 (UNAUDITED)	FOR THE PERIOD FROM OCTOBER 1 TO DECEMBER 31 (UNAUDITED)
Results of operations									
Revenues	$ 342,613	$ 104,650	$ 97,348	$ 70,087	$ 70,528	$ 68,543	$ 63,791	$ 54,343	$ 49,703
Net revenues (1)	$ 284,830	$ 85,814	$ 80,869	$ 60,148	$ 57,999	$ 53,602	$ 50,859	$ 44,168	$ 36,733
Gross margin	$ 142,960	$ 43,792	$ 40,440	$ 29,966	$ 28,762	$ 26,233	$ 24,578	$ 21,076	$ 17,533
EBITDA	$ 61,799	$ 19,670	$ 17,463	$ 11,878	$ 12,788	$ 11,685	$ 9,597	$ 8,090	$ 7,437
Net earnings	$ 25,265	$ 8,325	$ 6,666	$ 4,598	$ 5,676	$ 4,344	$ 2,603	$ 2,672	$ 2,577
Net earnings per unit									
Basic	$ 1.97	$ 0.65	$ 0.52	$ 0.36	$ 0.44	$ 0.38	$ 0.24	$ 0.24	$ 0.24
Diluted	$ 1.94	$ 0.64	$ 0.52	$ 0.35	$ 0.43	$ 0.38	$ 0.26	$ 0.24	$ 0.24
Weighted average number of units		12,870,030	12,870,364	12,870,664	12,858,533	11,305,396	10,992,394	11,000,000	11,000,000
Diluted weighted average number of units		21,352,768	21,350,781	21,347,826	21,332,787	19,347,454	18,920,619	18,927,381	18,927,381
Distributable cash									
Distributable cash (2) (3) (4)									
Standardized	$ 35,856	$ 6,824	$ 5,278	$ 5,461	$ 18,293	$ 4,784	$ 1,623	($ 951)	$ 7,918
Adjusted	$ 50,336	$ 16,078	$ 13,242	$ 9,798	$ 11,218	$ 9,575	$ 6,718	$ 6,441	$ 6,269
Distributable cash, per unit (2) (3) (4)									
Standardized	$ 1.69	$ 0.32	$ 0.25	$ 0.26	$ 0.86	$ 0.22	$ 0.09	($ 0.05)	$ 0.42
Adjusted	$ 2.36	$ 0.75	$ 0.62	$ 0.46	$ 0.53	$ 0.45	$ 0.35	$ 0.34	$ 0.33
Distributions declared	$ 30,440	$ 8,011	$ 5,340	$ 5,340	$ 11,749	$ 4,933	$ 4,730	$ 4,730	$ 4,730
Distributions declared, per unit	$ 1.42	$ 0.37	$ 0.25	$ 0.25	$ 0.55	$ 0.25	$ 0.25	$ 0.25	$ 0.25
Payout ratio									
Adjusted	60.5%	49.8%	40.3%	54.5%	104.7%	51.5%	70.4%	73.4%	75.5%

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

(2) The Fund applies the recommendations provided in CICA's publication "Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities" to calculate the distributable cash. " See section "Distributable cash."

(3) Distributable cash and distributable cash per unit amounts are calculated for the combined interest of the Fund's units and Non-subordinated Exchangeable Class B LP Units and Subordinated Exchangeable Class C LP Units (for which Subordination End Date was June 30, 2008), which total 21,366,405 as at September 27, 2008 (21,366,405 at the same date in 2007). Number of units has not been adjusted to reflect units purchased in the market in connection with the long-term incentive plan since the distributions on these units continue to be declared and paid. As at November 10, 2008, the number of units is 23,354,476.

(4) Calculation of the distributable cash included a withholding tax of $0.6 million for the three-month period and of $1.4 million for the nine-month period ended September 27, 2008.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

FINANCIAL HIGHLIGHTS

	3 months		9 months	
	2008	2007	2008	2007
IN THOUSANDS OF DOLLARS, EXCEPT PER UNIT DATA	FOR THE PERIOD FROM JUNE 29 TO SEPTEMBER 27 (UNAUDITED)	FOR THE PERIOD FROM JULY 1 TO SEPTEMBER 30 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 27 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30 (UNAUDITED)
Net revenues	$ 85,814	$ 53,602	$ 226,831	$ 148,629
EBITDA	$ 19,670	$ 11,685	$ 49,011	$ 29,372
Net earnings	$ 8,325	$ 4,344	$19,589	$ 9,619
Net earnings per Fund unit				
Basic	$ 0.65	$ 0.38	$ 1.52	$ 0.87
Diluted	$ 0.64	$ 0.38	$ 1.51	$ 0.88

	3 months		9 months	
	2008	2007	2008	2007
IN THOUSANDS OF DOLLARS	FOR THE PERIOD FROM JUNE 29 TO SEPTEMBER 27 (UNAUDITED)	FOR THE PERIOD FROM JULY 1 TO SEPTEMBER 30 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 27 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30 (UNAUDITED)
Distributable cash (1) (2)				
Standardized	$ 6,824	$ 4,784	$ 17,563	$ 5,456
Adjusted	$ 16,078	$ 9,575	$ 39,118	$ 22,734
Aggregate Distributions, all units	$ 8,011	$ 4,933	$ 18,691	$ 14,393
Payout ratio				
Adjusted	49.8%	51.5%	47.8%	63.3%

BALANCE SHEETS

	2008	2007
IN THOUSANDS OF DOLLARS	AS AT SEPTEMBER 27 (UNAUDITED)	AS AT DECEMBER 31 (AUDITED)
Total assets	$421,414	$ 305,972
Long-term financial liabilities (3)	$ 65,867	-

(1) The Fund applies the recommendations provided in CICA's publication "Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities" to calculate the distributable cash. " See section "Distributable cash."

(2) Calculation of the distributable cash included a withholding tax of $0.6 million for the three-month period and of $1.4 million for the nine-month period ended September 27, 2008.

(3) Long-term financial liabilities consist of long-term debt and bank advances.

RESULTS OF OPERATIONS

IN THOUSANDS OF DOLLARS EXCEPT PER UNIT DATA	3 months 2008 FOR THE PERIOD FROM JUNE 29 TO SEPTEMBER 27 (UNAUDITED)	3 months 2007 FOR THE PERIOD FROM JULY 1 TO SEPTEMBER 30 (UNAUDITED)	9 months 2008 FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 27 (UNAUDITED)	9 months 2007 FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30 (UNAUDITED)
Revenues	**$ 104,650**	**$ 68,543**	**$ 272,085**	**$ 186,677**
Deduct: Subconsultants and other direct expenses	$ 18,836	$ 14,941	$ 45,254	$ 38,048
Net revenues	**$ 85,814**	**$ 53,602**	**$ 226,831**	**$ 148,629**
Direct project costs	$ 42,022	$ 27,369	$ 112,633	$ 76,742
Gross margin	**$ 43,792**	**$ 26,233**	**$ 114,198**	**$ 71,887**
Marketing, general, and administrative expenses and others	$ 24,122	$ 14,548	$ 65,187	$ 42,515
EBITDA	**$ 19,670**	**$ 11,685**	**$ 49,011**	**$ 29,372**
Interest	$ 778	$ 746	$ 1,491	$ 1,493
Depreciation of property, plant, and equipment	$ 1,171	$ 693	$ 3,058	$ 1,969
Amortization of intangible assets	$ 3,818	$ 2,667	$ 11,041	$ 7,626
Earnings before income taxes and non-controlling interest	**$ 13,903**	**$ 7,579**	**$ 33,421**	**$ 18,284**
Income taxes (1)	$ 205	$ 176	$ 1,084	$ 1,442
Earnings before non-controlling interest	**$ 13,698**	**$ 7,403**	**$ 32,337**	**$ 16,842**
Non-controlling interest	$ 5,373	$ 3,059	$ 12,748	$ 7,223
Net earnings	**$ 8,325**	**$ 4,344**	**$ 19,589**	**$ 9,619**
Basic net earnings per unit	**$ 0.65**	**$ 0.38**	**$ 1.52**	**$ 0.87**
Weighted average number of units	12,870,030	11,305,396	12,870,350	11,100,382
Diluted net earnings per unit	$ 0.64	$ 0.38	$ 1.51	$ 0.88
Diluted weighted average number of units	21,352,768	19,347,454	21,353,568	19,066,964

(1) See section "Results of operations – Income taxes" on page 11.

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 September 27, 2008, increased by $36.2 million (52.7%) from $68.5 million in 2007, to $104.7 million in 2008.

Our revenues for the nine-month period ended September 27, 2008, increased by $85.4 million (45.7%) from $186.7 million in 2007 to $272.1 million in 2008.

Our net revenues, expressed as revenues less direct costs for subconsultants and other direct expenses that are recoverable directly from our clients, amounted to $85.8 million for the three-month period ended September 27, 2008, and to $53.6 million for the corresponding period in 2007, which represents an increase of $32.2 million (60.1%). Our net revenues increased from $148.6 million for the nine-month period ended September 30, 2007, to $226.8 million for the corresponding period in 2008, which represent an increase of 52.6%.

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

IN THOUSANDS OF DOLLARS	3 months		9 months	
Revenues	Variation 2008 vs. 2007	%	Variation 2008 vs. 2007	%
Acquisition growth (1)	24,343	35.5%	52,115	27.9%
Organic growth (1)	11,764	17.2%	33,293	17.8%
Total increase	36,107	52.7%	85,408	45.7%

IN THOUSANDS OF DOLLARS	3 months		9 months	
Net revenues	Variation 2008 vs. 2007	%	Variation 2008 vs. 2007	%
Acquisition growth (1)	20,203	37.7%	43,230	29.1%
Organic growth (1)	12,009	22.4%	34,972	23.5%
Total increase	32,212	60.1%	78,202	52.6%

(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 exceed the acquisition growth is presented as organic growth.

For the three-month period ended September 27, 2008, on a net revenues basis, acquisition growth accounted for $20.2 million, from which $18.0 million was generated by way of the acquisitions concluded in the first three quarters of 2008 and $2.2 million by way of the acquisitions concluded in the last quarter of 2007.

For the nine-month period ended September 27, 2008, on a net revenues basis, acquisition growth accounted for $43.2 million, from which $32.2 million were generated by way of the acquisitions concluded in the first three quarters of 2008 and $11.0 million by way of the acquisitions concluded in the last quarter of 2007.

Organic growth can be explained by an increase in the number of employees due to a higher level of business activity, an increase in productivity, as well as growth within the acquired firms as a result of integration and cross-marketing. From

September 2007 to September 2008, the number of employees increased by 54.5%, from 2,200 to 3,400 employees. Of this increase, 21.8% came from organic growth.

Also, it is important to note that this significant 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 and interest expense.

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 September 27, 2008, direct project costs represented 49.0% of net revenues compared to 51.1% for the same period in 2007.

For the nine-month period ended September 27, 2008, direct project costs represented 49.7% of net revenues compared to 51.6% for the same period in 2007.

As a percentage of net revenues, direct project costs for the last four quarters slightly decreased:

- 49.0% Q3-2008
- 50.0% Q2-2008
- 50.2% Q1-2008
- 50.4% Q4-2007

This improvement over the last quarters is attributable to better performance and profitability on projects.

Gross margin

For the three-month period ended September 27, 2008, the gross margin represented 51.0% of net revenues compared to 48.9% for the same period in 2007.

For the nine-month period ended September 27, 2008, the gross margin represented 50.3% of net revenues compared to 48.4% for the same period in 2007.

As a percentage of net revenues, gross margin slightly increased over the last four quarters:

- 51.0% Q3-2008
- 50.0% Q2-2008
- 49.8% Q1-2008
- 49.6% Q4-2007

As previously mentioned, this improvement over the last quarters is attributable to better performance and profitability on projects.

Marketing, general and administrative expenses and others

Marketing, general and administrative expenses and others for the three-month period ended September 27, 2008, increased to $24.1 million compared to $14.5 million for the same period in 2007. As a percentage of net revenues, marketing, general and administrative expenses and others represented 28.1% for the three-month period ended September 27, 2008, compared to 27.1% for the same period in 2007.

For the nine-month period ended September 27, 2008, marketing, general and administrative expenses and others represented 28.7% of net revenues compared to 28.6% for the same period in 2007.

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

- 28.1% Q3-2008
- 28.4% Q2-2008
- 30.1% Q1-2008
- 27.5% Q4-2007

Marketing, general and administrative expenses and others are not in direct relation with net revenues and therefore may fluctuate from quarter to quarter. Historically, marketing, general and administrative expenses and others as a percentage of net revenues are higher in Q1 and Q2 than in Q3 and Q4. In the third quarter of 2008, the Fund completed four acquisitions. People were devoting significant efforts to the integration of the acquired businesses. For the period ended September 27, 2008, the Fund integrated ten new companies compared to eight for the same period in 2007. Accordingly, there was more staff time charged to marketing, general and administrative expenses and others.

EBITDA

EBITDA for the three-month period ended September 27, 2008, stood at $19.7 million, up $8.0 million from $11.7 million for the same period in 2007, thus representing a 68.3% increase. As a percentage of net revenues, EBITDA margin stood at 22.9% for the three-month period ended September 27, 2008, compared to 21.8% for the same period in 2007.

EBITDA for the nine-month period ended September 27, 2008, was $49.0 million, up $19.6 million from $29.4 million for the same period in 2007, representing a 66.9% increase. EBITDA represents 21.6% of net revenues for the nine-month period ended September 27, 2008, compared to 19.8% for the same period in 2007.

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

- 22.9% Q3-2008
- 21.6% Q2-2008
- 19.7% Q1-2008
- 22.0% Q4-2007

The increase in EBITDA during the third quarter of 2008 is mainly attributable to the decrease in direct project costs and in marketing, general and administrative expenses and others in percentage of net revenues. (See *Direct project costs and marketing, general and administrative expenses and others* above).

Depreciation and amortization

Depreciation of property, plant and equipment for the three-month period ended September 27, 2008, was $1.2 million compared to $0.7 million for the same period in 2007. For the nine-month period ended September 27, 2008, depreciation of property, plant and equipment increased by $1.1 million, from $2.0 million in 2007 to $3.1 million 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 September 27, 2008, was $3.8 million compared to $2.7 million for the same period in 2007. For the nine-month period ended September 27, 2008, amortization of intangible assets increased by $3.4 million, from $7.6 million in 2007 to $11.0 million in 2008. The amortization expense increase is attributable to the business acquisitions completed in 2007 and 2008.

Interest

Interest expense for the three-month period ended September 27, 2008, amounted to $0.8 million compared to $0.7 million for the same period in 2007. The interest expense can be explained by a higher debt position during the third quarter of 2008 than in 2007. Interest expense for the nine-month periods ended September 27, 2008, and September 30, 2007, stood at $1.5 million.

Income taxes

For the three-month period ended September 27, 2008, the Fund recognized an amount of $0.8 million as an income tax expense compared to $0.1 million for the same period in 2007. This expense included a withholding tax of $0.6 million.

The Fund will be able to retain the benefit of the deferred application of the SIFT Rules described in the Fund's most recent annual consolidated financial statements. 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) on December 15, 2006 (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 (measured in terms of the value of a fund's issued and outstanding publicly-traded units (not including debt, options or other interests that were convertible into Fund units)) ("October 31, 2006, Market Capitalization").

Given its October 31, 2006, Market Capitalization and the 2007 and 2008 issuance of Fund units and interests convertible into Fund units, $50.0 million of Fund units and interests convertible into Fund units may be issued for each of the 2009 and 2010 year.

On July 14, 2008, the Department of Finance released draft legislation to permit SIFT to "convert" to taxable Canadian corporations without any undue tax consequences to either the SIFT or its unitholders. More precisely, the draft legislation contemplates 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 into a taxable Canadian corporation. The second involves the distribution by a SIFT of shares of an underlying taxable Canadian corporation to unitholders. The Department of Finance received comments on the draft legislation up to September 15, 2008. There have been no further developments since.

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

On August 28, 2008, the Fund adopted EIC-171, "Future Income Tax Consequences of Exchangeable Interests in an Income Trust or Specified Investment Flow-Through," issued by the CICA. The description of this new recommendation is presented in the New accounting standards section.

Net earnings and earnings per Fund unit

The Fund's net earnings for the three-month period ended September 27, 2008, were $8.3 million or $0.65 per unit on a basic basis and $0.64 per unit on a diluted basis compared to $4.3 million or $0.38 per unit on both a basic and a diluted basis for the same period in 2007.

The Fund's net earnings for the nine-month period ended September 27, 2008, were $19.6 million or $1.52 per unit on a basic basis and $1.51 on a diluted basis compared to $9.6 million or $0.87 per unit on a basic basis and $0.88 on a diluted basis for the same period in 2007.

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		9 months	
	2008	2007	2008	2007
	FOR THE PERIOD FROM JUNE 29 TO SEPTEMBER 27 (UNAUDITED)	FOR THE PERIOD FROM JULY 1 TO SEPTEMBER 30 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 27 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30 (UNAUDITED)
Cash flows from operating activities	**$ 8,908**	**$ 6,400**	**$24,253**	**$ 12,066**
Capital expenditures paid	($ 2,084)	($ 1,616)	($ 6,690)	($ 6,610)
Standardized distributable cash (1)	**$ 6,824**	**$ 4,784**	**$ 17,563**	**$ 5,456**
Change in non-cash working capital items (2)	$ 9,254	$ 4,523	$ 21,555	$ 15,672
Capital expenditures paid for non-recurring items (3)	-	$ 268	-	$ 2,431
Purchase of units in the market under the long-term incentive plan	-	-	-	($ 825)
Adjusted distributable cash (1) (4)	**$ 16,078**	**$ 9,575**	**$ 39,118**	**$ 22,734**
Adjusted distributable cash, per unit (1) (4)	**$ 0.75**	**$ 0.45**	**$ 1.83**	**$ 1.06**
Payout ratio				
Standardized	**117.4%**	**103.1%**	**106.4%**	**263.8%**
Adjusted	**49.8%**	**51.5%**	**47.8%**	**63.3%**
Distributions				
Fund's units distributions	$ 4,839	$ 2,907	$ 11,287	$ 8,405
Class B Non-subordinated Exchangeable LP Unit distributions	$ 1,397	$ 844	$ 3,265	$ 2,440
Class C Subordinated Exchangeable LP Unit distributions	$ 1,775	$ 1,182	$ 4,139	$ 3,548
Aggregate distributions, all units (4)	**$ 8,011**	**$ 4,933**	**$ 18,691**	**$ 14,393**
Aggregate distributions, all units, per unit (4)	**$ 0.37**	**$ 0.25**	**$ 0.87**	**$ 0.75**

(1) Calculation of the distributable cash included a withholding tax of $0.6 million for the three-month period and of $1.4 million for the nine-month period ended September 27, 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) Non-recurring capital expenditures pertain to a construction project which had for objective to expand square footage of the main office in Quebec City.

(4) Distributable cash and distributable cash per unit amounts are calculated for the combined interest of the Fund's units and Non-subordinated Exchangeable Class B LP units and Subordinated Exchangeable Class C LP Units (for which Subordination End Date was June 30, 2008), which total 21,366,405 as at September 27, 2008 (21,366,405 as at September 30, 2007). Number of units has not been adjusted to reflect units purchased in the market in connection with the long-term incentive plan since the distributions on these units continue to be declared and paid. As at November 10, 2008, the number of units is 23,354,476.

During the three-month period ended September 27, 2008, the Fund generated $16.1 million of adjusted distributable cash compared to $9.6 million for the same period in 2007.

The adjusted payout ratio for the quarter is 49.8% compared to 51.5% for the same period in 2007. As at July 15, 2008, the Fund announced a 50% increase in the monthly distribution of the Fund to $0.1250 per unit from $0.0833 per unit. On an annualized basis, this equates to distributions of $1.50 per unit compared to $1.00 per unit. This distribution increase is effective since the Fund's July 2008 monthly distribution.

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 a 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 and a special distribution in 2007. Since July 2008, the monthly distribution is $0.1250 per unit or $1.50 per unit on an annualized basis.

	3 months		9 months	
	2008	2007	2008	2007
IN THOUSANDS OF DOLLARS	FOR THE PERIOD FROM JUNE 29 TO SEPTEMBER 27 (UNAUDITED)	FOR THE PERIOD FROM JULY 1 TO SEPTEMBER 30 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 27 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30 (UNAUDITED)
Cash flows from operating activities	**$ 8,908**	**$ 6,400**	**$ 24,253**	**$ 12,066**
Net earnings	$ 8,325	$ 4,344	$ 19,589	$ 9,619
Non-controlling interest	$ 5,373	$ 3,059	$ 12,748	$ 7,223
Earnings before non-controlling interest	**$ 13,698**	**$ 7,403**	**$ 32,337**	**$ 16,842**
Actual cash distributions declared	**$ 8,011**	**$ 4,933**	**$ 18,691**	**$ 14,393**
Excess (shortfall) of cash flows from operating activities over cash distributions declared	$ 897	$ 1,467	$ 5,562	($ 2,327)
Excess of earnings before non-controlling interest over cash distributions declared	$ 5,687	$ 2,470	$ 13,646	$ 2,449

Excess (shortfall) of cash flows from operating activities over cash distributions declared

Following the acquisition in January 2007 of certain assets of CDG and Kazmar (excluding receivables and costs and anticipated profits in excess of billings), cash flows from operating activities for the nine-month period ended September 30, 2007, were affected by the required investments in working capital. Bank advances were used to finance the shortfall in accordance with the credit facilities. For the three-month and nine-month period ended September 27, 2008, cash flows from operating activities exceeded cash distributions declared.

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

For the three-month period ended September 27, 2008, earnings before non-controlling interest are higher than the cash distributions declared by $5.7 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, Earnings before non-controlling interest exceeded cash distributions declared by $24.7 million for the nine-month period ended September 27, 2008.

BACKLOG

As at September 27, 2008, our backlog, which represents future revenues that stem from existing signed contracts to be executed, stood at $305.0 million. As at September 30, 2007, our backlog was $201.0 million. On a comparative basis, this represents an increase of $104.0 million (51.7%) of which $68.8 million came from acquisitions completed in the first three quarters of 2008.

The revenues used to calculate the backlog in terms of months are the trailing-twelve-month revenues. Revenues from acquisition have been adjusted to reflect a full twelve-month period. If we consider that our field of business measures backlog in terms of months of work, we can foresee that it represents approximately 9.5 months of upcoming work compared to 9.3 months for the corresponding period of 2007.

- $305.0 million Q3-2008
- $300.4 million Q2-2008
- $294.1 million Q1-2008
- $207.5 million Q4-2007

LIQUIDITY

IN THOUSANDS OF DOLLARS	3 months 2008 FOR THE PERIOD FROM JUNE 29 TO SEPTEMBER 27 (UNAUDITED)	3 months 2007 FOR THE PERIOD FROM JULY 1 TO SEPTEMBER 30 (UNAUDITED)	9 months 2008 FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 27 (UNAUDITED)	9 months 2007 FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30 (UNAUDITED)
Cash Flows				
Cash flows from operating activities	$ 8,908	$ 6,400	$ 24,253	$ 12,066
Cash flows from financing activities	$ 12,001	$ 10,745	$ 35,458	$ 15,866
Cash flows from investing activities	($15,998)	($ 10,002)	($ 52,679)	($ 25,909)
Net change in cash position during the period	**$ 4,911**	**$ 7,143**	**$ 7,032**	**$ 2,023**
Distributions paid	**($7,908)**	**($ 4,730)**	**($ 18,588)**	**($ 14,190)**
Capital expenditures (including capital expenditures paid for non-recurring items in 2007)	**($ 2,084)**	**($ 1,616)**	**($6,690)**	**($ 6,610)**

Cash flows from operating activities

For the three-month period ended September 27, 2008, operating activities generated $18.2 million and non-cash working capital items used $9.3 million, for a total net cash flows from operating activities of $8.9 million. The increase in accounts receivable of $14.2 million, the increase in costs and anticipated profits in excess of billings of $6.3 million and the decrease in prepaid expenses of $0.8 million were offset by an increase in accounts payable and accrued liabilities of $5.8 million and an increase in billings in excess of costs and anticipated profits of $4.6 million.

Accounts receivables and costs and anticipated profits in excess of billings represent approximately 110 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 September 27, 2008, financing activities generated $12.0 million of cash. Out of this amount, $20.6 million was generated by the bank advances net of repayment of debt. On the other hand, $7.9 million was used to pay distributions to unitholders and $0.7 million to pay some balances of purchase prices related to business acquisitions.

Cash flows from investing activities

For the three-month period ended September 27, 2008, investing activities used $16.0 million of cash. Business acquisitions totaled $13.8 million of this amount, capital expenditures, $2.1 million and others, $0.1 million.

Net cash position

As at September 27, 2008, the net cash position of the Fund amounted to ($45.2) million as detailed hereafter:

IN THOUSANDS OF DOLLARS	2008 AS AT SEPTEMBER 27	2007 AS AT DECEMBER 31
Cash and cash equivalents	$ 19,887	$12,855
Bank advances	($ 64,784)	-
Advances from the Non-controlling Unitholder	($ 270)	($ 224)
Net cash position	**($ 45,167)**	**$ 12,631**

Bank advances were mainly used to finance the ten business acquisitions completed in the first three quarters of 2008.

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 and from the public offering realized at the beginning of October 2008.

The Fund has credit facilities, totaling $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 have a three-year term and mature in May 2011. 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 and bear interest at prime rate, US base rate or LIBOR plus an applicable margin that will vary depending on the type of advance and total consolidated debt to earnings before interest, income taxes, depreciation and amortization ratio, as defined in the agreement.

Under these credit facilities, GENIVAR Limited Partnership ("GENIVAR LP"), a Fund's subsidiary, is required, among other conditions, to respect certain covenants, which have been met as at September 27, 2008.

As at September 27, 2008, the Fund had unused credit facilities of $16.0 million, net of outstanding letters of credit of $1,2 million, and cash and cash equivalents of $19.9 million.

The Fund does not hold any commercial papers. Consequently, the Fund has not been affected by asset-backed commercial papers.

THE FUND

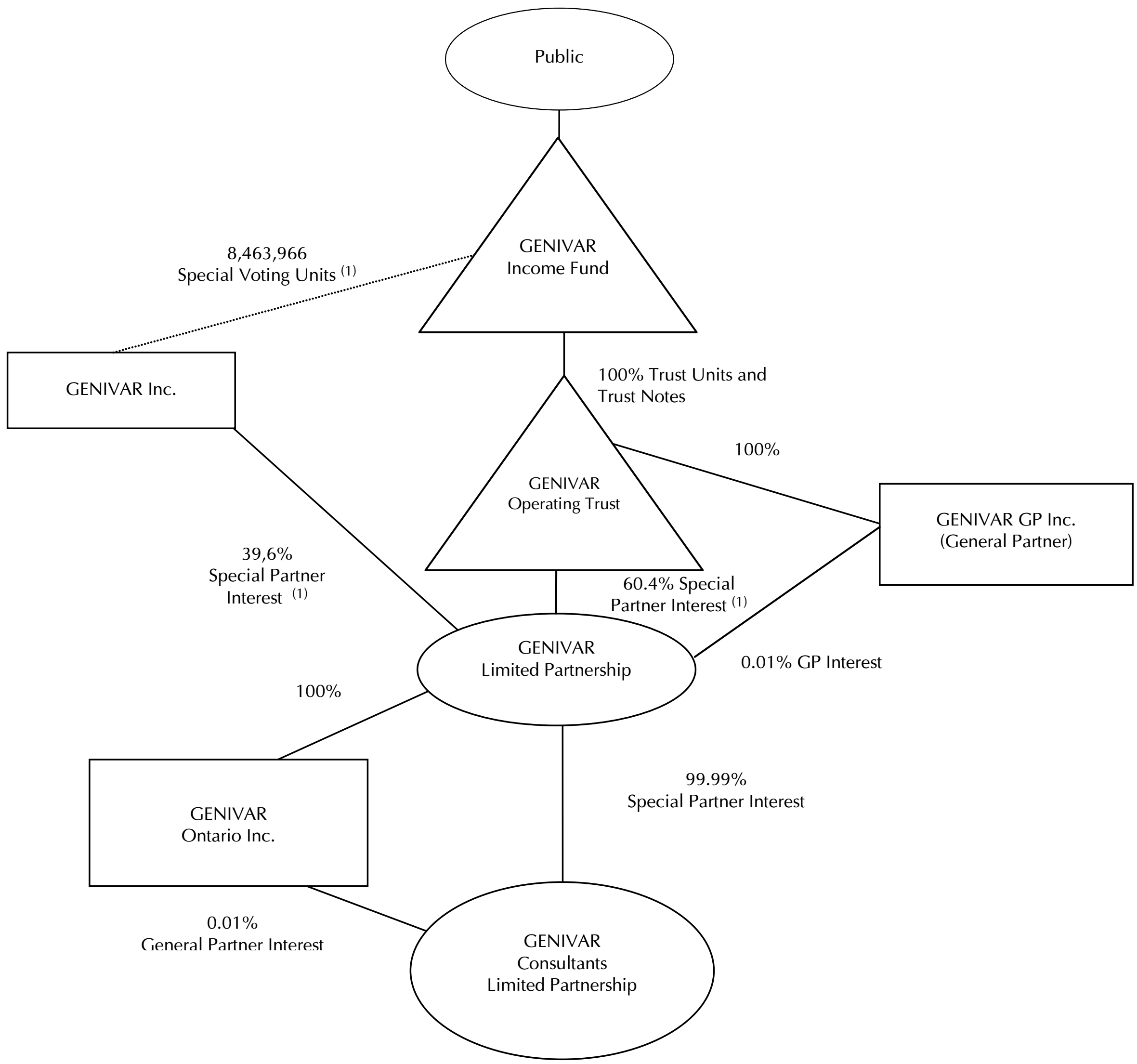
The Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Quebec pursuant to the Fund's declaration of trust made as of March 31, 2006, as amended and restated on May 16, 2006. The Fund was created to indirectly acquire and hold a limited partnership 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.

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 Class B LP Units (the "Non-subordinated Exchangeable LP Units") and 4,731,845 Class C LP Units of GENIVAR LP (the "Subordinated Exchangeable LP Units"), together representing the remaining 39.6% interest in GENIVAR LP (41.9% before this transaction). In addition, the Non-controlling Unitholder holds 8,463,966 Special Voting Units of the Fund.

After the end of the quarter, 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 4,328,542 Non-Subordinated Exchangeable LP Units and 4,731,845 Subordinated Exchangeable LP Units, together representing the remaining 38.8% interest in GENIVAR LP (39.6% before this transaction). The Non-subordinated Exchangeable LP Units are exchangeable at any time into units on a one-for-one basis, subject to an adjustment. The Subordinated Exchangeable LP Units are exchangeable since July 1, 2008, into units, on a one-for-one basis. 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 a Non-subordinated Exchangeable LP Unit or a Subordinated 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:



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 September 27, 2008, have been omitted.

(1) Following the public offering on October 2, 2008, the Fund and GENIVAR inc. own respectively a 61.2% and a 38.8% interest in GENIVAR LP and GENIVAR inc. holds 9,060,387 Special Voting Units of the Fund.

GOVERNANCE

Internal control over financial reporting

Internal control over financial reporting ("ICFR") is designed to provide reasonable assurances regarding the reliability of the Fund's financial reporting and its compliance with GAAP in its financial statements. The Chief Executive Officer and Chief Financial Officer have evaluated whether there were changes to its ICFR during the three-month period ended September 27, 2008, that have materially affected, or that are reasonably likely to materially affect its ICFR. No such changes were identified through their evaluation.

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 2007 annual audited consolidated financial statements, except for the standards described below. Please refer to the Fund's 2007 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, 2008, the Fund adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA").

- Section 1400, "General Standards of Financial Statement Presentation." This standard has been amended to include requirements to assess and disclose an entity's ability to continue as a going concern.

- Section 1535, "Capital Disclosures." This section establishes standards for disclosing information about an entity's capital and how it is managed. It describes the disclosure of the entity's objectives, policies and processes for managing capital as well as summary quantitative data on the elements included in the management of capital. The section seeks to establish whether the entity has complied with capital requirements and, if not, the consequences of such non-compliance.

- Section 3862, "Financial Instruments – Disclosures." This section describes the required disclosures to evaluate the significance of financial instruments for the entity's financial position and performance as well as the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks.

- Section 3863, "Financial Instruments – Presentation." This section establishes standards for presentation of financial instruments and non-financial derivatives. It details the presentation of standards described in Section 3861, "Financial Instruments – Disclosure and Presentation."

These sections relate to disclosure and presentation only and did not have any impacts on the Fund's consolidated results or financial position.

On August 28, 2008, the Fund adopted EIC-171, "Future Income Tax Consequences of Exchangeable Interests in an Income Trust or Specified Investment Flow-Through," issued by the CICA. This EIC establishes that the future income taxes related to temporary differences associated with the assets and liabilities attributable to the exchangeable interests should not be recorded prior to the conversion of the exchangeable interests. It also describes how future income taxes should be accounted for on the conversion of exchangeable interests. The Fund adopted this new recommendation retrospectively. The implementation of this standard had no significant impact on the consolidated financial statements of the Fund.

Future accounting standards

Goodwill and intangible assets

The CICA published new Section 3064, "Goodwill and Intangible Assets," which replaces Section 3062, "Goodwill and Other Intangible Assets" and Section 3450, "Research and Development Costs." This section applies to the Fund's interim and annual financial statements for the year beginning on January 1, 2009.
Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The Fund has not yet completed its assessment of the effect of this new standard on its consolidated financial statements.

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 2011, will require the restatement for comparative figures reported by the Fund for the year ended December 31, 2010. The Fund has begun assessing the adoption of IFRS, and the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

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. As a result, the transaction yields fiscal benefits for both the vendors and GENIVAR LP or one of its subsidiaries. During the nine-month period ended September 27, 2008, the Fund has acquired Transenco, RFA, Phoenix, Doucet, Bullock Baur, Peterson Galloway, ZENIX Engineering, Solmers, and Henderson Paddon/Oweson in this manner for a total consideration of $35.1 million, excluding acquisition-related costs of $0.7 million assumed directly by the Fund. After the end of the quarter, the Fund has acquired Consultants GÉNIPLUS/Nageco and Consumaj Estrie in this manner.

The Fund entered into transactions with construction companies controlled by GENIVAR inc. The table below presents the most significant ones.

	3 months		9 months	
	2008	2007	2008	2007
IN THOUSANDS OF DOLLARS	FOR THE PERIOD FROM JUNE 29 TO SEPTEMBER 27 (UNAUDITED)	FOR THE PERIOD FROM JULY 1 TO SEPTEMBER 30 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 27 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30 (UNAUDITED)
Revenues	$ 112	$ 458	$ 625	$ 2,627
Additions to property, plant and equipment	-	$ 157	-	$ 1,568

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties, taking in account the fair market value of comparable goods or services.

In July 2007, GENIVAR inc. decided to exit the general contracting business. Consequently, there is a progressive diminution of transactions with construction companies controlled by GENIVAR inc.

There are advances made between the Fund and the Non-controlling Unitholder. The interest rate applied is identical to the one used by the Bank. As at September 27, 2008, advances payable to the Non-Controlling Unitholder totaled $0.3 million. Net interest expense charged to the Fund by the Non-controlling Unitholder amounted to $0.1 million for both the three- and nine-month periods ended September 27, 2008.

OFF-BALANCE SHEET AGREEMENTS

There were no off-balance sheet agreements as at September 27, 2008.

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
Balances of sale prices payable	$ 13,529	-	-	-	-	-	$ 13,529
Long-term debt, including current portion	$ 818	$ 1,083	-	-	-	-	$ 1,901
Bank advances [1]	-	-	$ 64,784	-	-	-	$ 64,784

[1] Following the public offering on October 2, 2008, the net proceeds of this transaction of approximately $47.8 million were applied to reimburse bank advances.

In thousands of dollars	2008 (3 months)	2009	2010	2011	2012	2013	Thereafter	Total
Operating lease commitments	$ 2,998	$ 11,775	$ 10,456	$ 9,590	$ 8,398	$ 6,819	$ 24,534	$ 74,570

SUBSEQUENT EVENTS

On October 2, 2008, the Fund issued, pursuant to a public offering, 1,391,650 units for gross proceeds of $35.0 million. Concurrently with the closing of the offering, GENIVAR inc., the non-controlling unitholder, subscribed, directly and indirectly, for 596,421 Non-Subordinated Exchangeable Class B LP Units of GENIVAR LP and 596,421 Special Voting Units of the Fund for gross proceeds of $15.0 million. Total issuance-related costs amounted to $2.3 million less future income taxes of $0.2 million. Following this transaction, the Fund now owns 14,294,089 Class A LP Units of GENIVAR LP, representing a 61.2% interest.

In October 2008, the Fund acquired all the assets and liabilities of Consultants GÉNIPLUS/Nageco, a municipal infrastructure, structural building and bridge firm and of Consumaj Estrie, an environmental and municipal infrastructure firm, both based in the province of Quebec and previously owned by GENIVAR inc.

RISK FACTORS

The results of operations, business prospects and the financial condition of the Fund are subject to a number of risks and 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 2007 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.