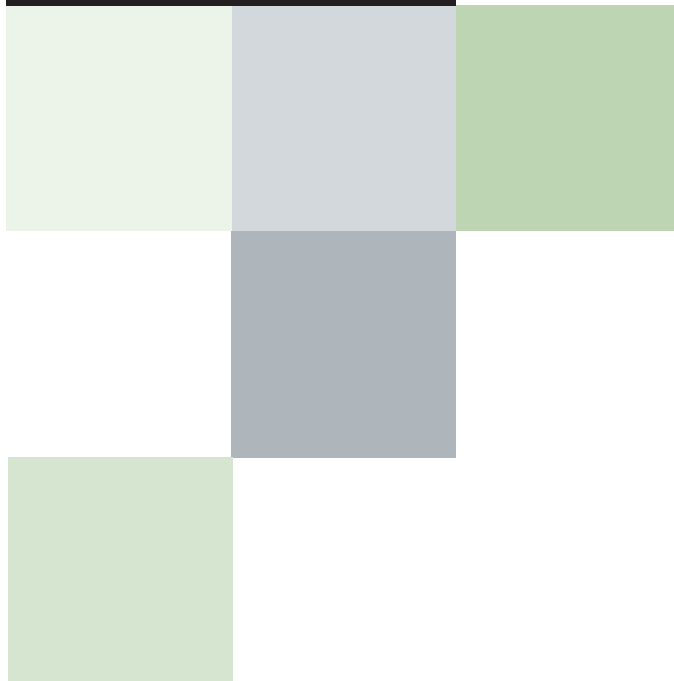




GENIVAR

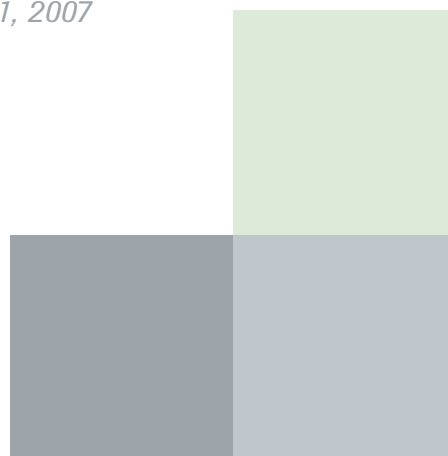
constructive people



Unaudited

Interim consolidated financial statements

For the three-month period ended March 31, 2007



GENIVAR Income Fund

Interim Consolidated Financial Statements
(unaudited)
March 31, 2007

(in thousands of dollars)

GENIVAR Income Fund

Interim Consolidated Balance Sheet (unaudited)

(in thousands of dollars)

	As at March 31, 2007 \$	As at December 31, 2006 \$
Assets		
Current assets		
Cash	8,745	3,986
Cash held in trust	-	4,200
Accounts receivable (note 13)	56,704	51,445
Income taxes receivable	94	87
Costs and anticipated profits in excess of billings	24,915	17,910
Advances to companies controlled by the non-controlling unitholder	14	105
Prepaid expenses	2,210	708
	<hr/> 92,682	<hr/> 78,441
Property, plant and equipment	14,292	12,126
Intangible assets (note 4)	44,722	41,834
Goodwill (note 5)	121,358	116,437
	<hr/> 273,054	<hr/> 248,838
Liabilities		
Current liabilities		
Bank advances	23,139	6,957
Accounts payable and accrued liabilities (note 13)	34,722	28,585
Balances of purchase prices payable (note 3a)	812	-
Advances payable to the non-controlling unitholder	8,380	8,763
Income taxes payable	198	166
Billings in excess of costs and anticipated profits	11,685	10,783
Future income tax liabilities	868	690
Distributions payable to unitholders (note 9)	2,897	2,365
	<hr/> 82,701	<hr/> 58,309
Future income tax liabilities	1,622	1,734
Non-controlling interest (note 6)	79,017	79,073
	<hr/> 163,340	<hr/> 139,116
Unitholders' Equity		
Fund units (note 7)	110,000	110,000
Contributed surplus (note 10)	69	-
Deficit	(355)	(278)
	<hr/> 109,714	<hr/> 109,722
	<hr/> 273,054	<hr/> 248,838
Commitments (note 14)		
Subsequent event (note 16)		

The accompanying notes are an integral part of these interim consolidated financial statements.

Approved by the Trustees

(1)

(signed) PIERRE SHOIRY _____, Trustee

(signed) PIERRE SECCARECCIA _____, Trustee

GENIVAR Income Fund

Interim Consolidated Statement of Deficit (unaudited)

For the three-month period ended March 31, 2007

(in thousands of dollars)

	\$
Balance as at December 31, 2006	(278)
Net earnings for the period	2,672
Declared distributions to unitholders (note 9)	<u>(2,749)</u>
Balance as at March 31, 2007	<u>(355)</u>

The accompanying notes are an integral part of these interim consolidated financial statements.

GENIVAR Income Fund

Interim Consolidated Statement of Earnings and Comprehensive Income (unaudited)
For the three-month period ended March 31, 2007

(in thousands of dollars, except the number of units and per unit data)

	\$
Revenues	54,343
Costs	<u>33,267</u>
Gross margin	<u>21,076</u>
Expenses	
Marketing, general and administrative	12,983
Depreciation of property, plant and equipment	599
Amortization of intangible assets	2,458
Net interest expense (note 11)	281
Exchange loss	<u>17</u>
	<u>16,338</u>
Earnings before income tax expense and non-controlling interest	<u>4,738</u>
Income tax expense	
Current income taxes	75
Future income taxes	<u>66</u>
	<u>141</u>
Earnings before non-controlling interest	4,597
Non-controlling interest (note 6)	<u>(1,925)</u>
Net earnings and comprehensive income for the period	<u>2,672</u>
Basic net earnings per unit	0.24
Weighted average number of units (note 8)	11,000,000
Diluted net earnings per unit	0.24
Diluted weighted average number of units (note 8)	18,927,381

The accompanying notes are an integral part of these interim consolidated financial statements.

(3)

GENIVAR Income Fund

Interim Consolidated Statement of Cash Flows (unaudited) For the three-month period ended March 31, 2007

(in thousands of dollars)

	\$
Cash flows from operating activities	
Net earnings for the period	2,672
Items not affecting cash	
Depreciation and amortization	3,057
Compensation cost under the long-term incentive plan	69
Future income taxes	66
Non-controlling interest	1,925
	<u>7,789</u>
Change in non-cash working capital items (note 12a)	<u>(6,135)</u>
	<u>1,654</u>
Cash flows from financing activities	
Bank advances contracted	15,802
Repayment of advances to the non-controlling unitholder	(474)
Distributions paid to unitholders	(2,749)
Distributions paid to the non-controlling unitholder	(1,449)
	<u>11,130</u>
Cash flows from investing activities	
Business acquisitions, less net cash acquired (note 3a)	(10,160)
Advances to companies controlled by the non-controlling unitholder	91
Additions to property, plant and equipment (note 12b)	(1,773)
Proceeds from disposal of property, plant and equipment	449
Acquisition of software (note 12b)	(832)
	<u>(12,225)</u>
Increase in cash	559
Cash as at December 31, 2006 *	<u>8,186</u>
Cash as at March 31, 2007	<u><u>8,745</u></u>
Additional information (note 12b)	
Interest paid	175
Interest received	(14)
Income taxes paid	50

* Cash as at December 31, 2006 consists of cash and cash held in trust.

The accompanying notes are an integral part of these interim consolidated financial statements.

GENIVAR Income Fund

Notes to Interim Consolidated Financial Statements (unaudited)

March 31, 2007

(in thousands of dollars, except the number of units and per unit data and unless otherwise stated)

1 Description of the Fund

The Fund is an unincorporated, open-ended, limited purpose trust created pursuant to the Fund Declaration of Trust made as of March 31, 2006 and is governed by the laws of the Province of Quebec. The Fund has been created to invest, through GENIVAR Operating Trust (the "Trust"), a wholly-owned trust, in limited partnership units of GENIVAR Limited Partnership "GENIVAR LP" and in shares of GENIVAR GP, the general partner of GENIVAR LP.

GENIVAR LP and its subsidiaries, GENIVAR Ontario Inc., GENIVAR (Trinidad Tobago) Ltd. and GENIVAR Consultants Limited Partnership offer services ranging from planning to execution and including conceptual and development studies, feasibility and economic studies, preliminary engineering and detailed design, plans and specifications, work supervision as well as environmental planning.

The Fund began its operations on May 25, 2006. Since its incorporation on March 31, 2006, it has not carried on any business, except for the issuance of initial units.

2 Summary of significant accounting policies

Interim financial information

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and use the same accounting policies and methods used in the preparation of the Fund's most recent annual consolidated financial statements, except for the new accounting policies as disclosed further. All disclosures required for annual financial statements have not been included in these financial statements. These unaudited interim consolidated financial statements should therefore be read in conjunction with the Fund's most recent audited annual consolidated financial statements.

The financial information as at March 31, 2007 and for the three-month period then ended is unaudited. However, in the opinion of management, all adjustments necessary to present fairly the results of this period have been included. The adjustments made were of a normal recurring nature. Interim results may not necessarily be indicative of results anticipated for the year.

Long-Term Incentive Plan ("LTIP")

The officers and key employees are eligible to participate in GENIVAR LP's LTIP (note 10). Generally, one-third of the Units vest equally over the three years following the grant of the awards. The Fund accounts for a compensation cost, on a straight-line basis, over the vesting period of the Units. Units purchased in the market will be applied against unitholders' equity.

GENIVAR Income Fund

Notes to Interim Consolidated Financial Statements (unaudited)

March 31, 2007

(in thousands of dollars, except the number of units and per unit data and unless otherwise stated)

New accounting policies

On January 1, 2007, the Fund adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants:

- Section 1506, "Accounting Changes". This section prescribes the criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors.
- Section 1530, "Comprehensive Income". This section establishes standards for reporting and display of certain gains and losses recognized in comprehensive income, but excluded from net income.
- Section 3250, "Surplus". This section has been revised to comply with new requirements issued as Section 3855.
- Section 3855, "Financial Instruments – Recognition and Measurement". This section describes the standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives.

This section requires that:

- All financial assets be measured at fair value, with some exceptions such as loans and investments that are classified as held to maturity;
 - All financial liabilities be measured at fair value if they are derivatives or classified as held for trading purposes. Other financial liabilities are measured at their carrying value;
 - All derivative financial instruments be measured at fair value, even when they are part of a hedging relationship.
- Section 3865, "Hedges". This section provides an alternative to Section 3855 for entities that choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline AcG-13, "Hedging Relationships", and on the hedging guidance in Section 1650, "Foreign Currency Translation".

The implementation of these standards had no significant impact on the consolidated financial statements of the Fund.

GENIVAR Income Fund

Notes to Interim Consolidated Financial Statements (unaudited)

March 31, 2007

(in thousands of dollars, except the number of units and per unit data and unless otherwise stated)

3 Business acquisitions

The acquisitions have been accounted for using the purchase method, and the operating results have been included in the consolidated financial statements from the date of acquisition.

(a) Three-month period ended March 31, 2007

On January 1, 2007, the Fund acquired certain assets of Cochrane Design Group ("CDG"), a Western Canada-based engineering consulting firm, for a consideration of \$4,892 settled as follows: a cash amount of \$4,268 of which a sum of \$4,200 paid out of cash held in trust, a balance of purchase price of \$500 and the assumption of transaction-related costs of \$124.

On January 1, 2007, the Fund acquired certain assets of Kazmar Associates ("Kazmar"), an Ontario-based engineering consulting firm, for a consideration of \$2,145 settled as follows: a cash amount of \$1,800 and a balance of purchase price of \$312 and the assumption of transaction-related costs of \$33.

On February 24, 2007, the Fund acquired all assets and liabilities of Groupe G.L.D. ("GLD"), a Quebec-based engineering consulting firm previously owned by GENIVAR inc., for a consideration of \$4,027 settled as follows: a cash amount of \$4,000 and the assumption of transaction-related costs of \$27. On the same day, GENIVAR inc. had acquired all the outstanding shares of GLD for a consideration of \$4,000.

GENIVAR Income Fund

Notes to Interim Consolidated Financial Statements (unaudited)

March 31, 2007

(in thousands of dollars, except the number of units and per unit data and unless otherwise stated)

The purchase price allocations shown below are preliminary but the Fund does not anticipate any significant changes in the final purchase price allocation.

	CDG \$	Kazmar \$	GLD \$	Total \$
Assets acquired				
Current assets				
Cash	-	-	92	92
Accounts receivable	-	-	1,373	1,373
Costs and anticipated profits in excess of billings	-	-	294	294
Prepaid expenses	418	12	149	579
	<u>418</u>	<u>12</u>	<u>1,908</u>	<u>2,338</u>
Property, plant and equipment	882	58	293	1,233
Intangible assets	<u>2,603</u>	<u>678</u>	<u>942</u>	<u>4,223</u>
	<u>3,903</u>	<u>748</u>	<u>3,143</u>	<u>7,794</u>
Liabilities assumed				
Current liabilities				
Bank advances	-	-	(380)	(380)
Accounts payable and accrued liabilities	(350)	-	(830)	(1,180)
Advances payable to the non- controlling unitholder	-	-	(91)	(91)
	<u>(350)</u>	<u>-</u>	<u>(1,301)</u>	<u>(1,651)</u>
Net identifiable assets acquired	3,553	748	1,842	6,143
Goodwill	<u>1,339</u>	<u>1,397</u>	<u>2,185</u>	<u>4,921</u>
Purchase price	4,892	2,145	4,027	11,064
Less:				
Cash acquired	-	-	(92)	(92)
Balances of purchase prices payable, bearing interest at an annual rate of 5% and at prime rate	<u>(500)</u>	<u>(312)</u>	<u>-</u>	<u>(812)</u>
Net cash used for the acquisitions	<u>4,392</u>	<u>1,833</u>	<u>3,935</u>	<u>10,160</u>

GENIVAR Income Fund

Notes to Interim Consolidated Financial Statements (unaudited)

March 31, 2007

(in thousands of dollars, except the number of units and per unit data and unless otherwise stated)

(b) Year ended December 31, 2006

Upon the closing that occurred on May 25, 2006, GENIVAR LP directly or indirectly acquired certain operating assets related to GENIVAR Engineering Services Business as well as all of the outstanding shares of GENIVAR Ontario Inc. and GENIVAR (Trinidad Tobago) Ltd. directly or indirectly held by GENIVAR inc., the non-controlling unitholder. The purchase price amounting to \$189,274 has been settled as follows: a cash amount of \$37,232, a note payable of \$62,768 and the issuance of 4,195,536 exchangeable LP units and 4,731,845 subordinated LP units having respective values of \$41,955 and \$47,319.

On December 1, 2006, GENIVAR LP acquired all of the assets and liabilities of Martoni, Cyr & Associates ("Martoni"), a Quebec-based engineering consulting firm previously owned by GENIVAR inc. The purchase price of \$4,000 was fully settled in cash. On the same day, GENIVAR inc. had acquired all the outstanding shares of Martoni for a consideration of \$4,000.

GENIVAR Income Fund

Notes to Interim Consolidated Financial Statements (unaudited)

March 31, 2007

(in thousands of dollars, except the number of units and per unit data and unless otherwise stated)

The purchase price allocation of GENIVAR shown below is based on an independent valuation report. The purchase price allocation of Martoni is preliminary but the Fund does not anticipate any significant changes in the final purchase price allocation.

	GENIVAR \$	Martoni \$	Total \$
Assets acquired			
Current assets			
Cash	4,061	-	4,061
Accounts receivable	42,567	1,191	43,758
Income taxes receivable	159	-	159
Costs and anticipated profits in excess of billings	17,799	658	18,457
Prepaid expenses	1,210	112	1,322
	<u>65,796</u>	<u>1,961</u>	<u>67,757</u>
Property, plant and equipment	10,876	242	11,118
Intangible assets	45,766	929	46,695
	<u>122,438</u>	<u>3,132</u>	<u>125,570</u>
Liabilities assumed			
Current liabilities			
Bank advances	(2,791)	(18)	(2,809)
Accounts payable and accrued liabilities	(25,417)	(1,558)	(26,975)
Income taxes payable	(445)	-	(445)
Billings in excess of costs and anticipated profits	(8,295)	-	(8,295)
Advances payable to the non-controlling unitholder	(7,282)	(171)	(7,453)
	<u>(44,230)</u>	<u>(1,747)</u>	<u>(45,977)</u>
Future income tax liabilities	(2,756)	-	(2,756)
	<u>(46,986)</u>	<u>(1,747)</u>	<u>(48,733)</u>
Net identifiable assets acquired	75,452	1,385	76,837
Goodwill	113,822	2,615	116,437
	<u>189,274</u>	<u>4,000</u>	<u>193,274</u>
Purchase price			
Less:			
Cash acquired	(4,061)	-	(4,061)
Note payable	(62,768)	-	(62,768)
LP units	(89,274)	-	(89,274)
	<u>33,171</u>	<u>4,000</u>	<u>37,171</u>
Net cash used for the acquisitions			

GENIVAR Income Fund

Notes to Interim Consolidated Financial Statements (unaudited)

March 31, 2007

(in thousands of dollars, except the number of units and per unit data and unless otherwise stated)

4 Intangible assets

	As at March 31, 2007		
	Cost	Accumulated amortization	Net value
	\$	\$	\$
Finite useful life			
Software	3,297	529	2,768
Customer relationships	29,958	1,801	28,157
Contract backlogs	12,706	5,090	7,616
Non-competition agreements	2,010	429	1,581
Indefinite useful life			
Trade name	4,600	-	4,600
	<u>52,571</u>	<u>7,849</u>	<u>44,722</u>
	As at December 31, 2006		
	Cost	Accumulated amortization	Net value
	\$	\$	\$
Finite useful life			
Software	2,056	330	1,726
Customer relationships	27,051	1,235	25,816
Contract backlogs	11,508	3,522	7,986
Non-competition agreements	2,010	304	1,706
Indefinite useful life			
Trade name	4,600	-	4,600
	<u>47,225</u>	<u>5,391</u>	<u>41,834</u>

During the three-month period ended March 31, 2007, the Fund acquired intangible assets subject to amortization amounting to \$5,346.

GENIVAR Income Fund

Notes to Interim Consolidated Financial Statements (unaudited)

March 31, 2007

(in thousands of dollars, except the number of units and per unit data and unless otherwise stated)

5 Goodwill

	\$
Balance as at December 31, 2006	116,437
Goodwill resulting from business acquisitions (note 3)	<u>4,921</u>
Balance as at March 31, 2007	<u>121,358</u>

6 Non-controlling interest

As at March 31, 2007, the non-controlling interest is as follows:

	Non-Subordinated Exchangeable LP Units		Subordinated LP Units		Total
	Number	\$	Number	\$	\$
Balance as at December 31, 2006	3,195,536	31,874	4,731,845	47,199	79,073
Share in earnings attributable to the non-controlling unitholder	-	776	-	1,149	1,925
Distributions	-	(799)	-	(1,182)	(1,981)
Balance as at March 31, 2007	<u>3,195,536</u>	<u>31,851</u>	<u>4,731,845</u>	<u>47,166</u>	<u>79,017</u>

The Non-Subordinated Exchangeable LP Units and Subordinated LP Units are economically equivalent to Class A LP Units held by the Trust, except that distributions on Subordinated LP Units will be made only at the end of the quarter provided that GENIVAR LP has made a monthly distribution of at least \$0.0833 per unit to the holders of Class A LP Units and of Non-Subordinated Exchangeable LP Units and that any distribution deficiency during the last twelve months has been settled.

The Non-Subordinated Exchangeable LP Units will be exchangeable for Units on a one-for-one basis (subject to customary anti-dilution protections). The Subordinated LP Units will be exchangeable for Units at any time after the Subordination End Date on a one-for-one basis (subject to customary anti-dilution protections), which date cannot occur before July 1, 2008. The Subordinated LP Units may also be exchanged for Units before the Subordination End Date in certain specified circumstances.

As at March 31, 2007, an amount of \$1,981 has been accounted for as distributions payable to unitholders.

GENIVAR Income Fund

Notes to Interim Consolidated Financial Statements (unaudited)

March 31, 2007

(in thousands of dollars, except the number of units and per unit data and unless otherwise stated)

7 Fund units

An unlimited number of Units and an unlimited number of Special Voting Units may be issued pursuant to the Fund Declaration of Trust.

Units

Each Unit is transferable and represents an equal, undivided right to and interest in any distributions from the Fund, whether of net earnings, net realized capital gains (other than net realized capital gains distributed to redeeming Unitholders) or other amounts, and in the net assets of the Fund in the event of termination or winding-up of the Fund. All Units are of the same class with equal rights and privileges. Units may, however, be redeemed by the holder at any time for an amount related to the quoted market price, cash redemptions being limited to \$50 per month.

Issued and paid

	<u>Units</u>	
	Number	\$
Balance as at March 31, 2007 and as at December 31, 3006	<u>11,000,000</u>	<u>110,000</u>

Special Voting Units

The Special Voting Units will not be entitled to any right to nor interest in any distribution from the Fund whether of net earnings, net realized capital gains or other amounts, or in the net assets of the Fund in the event of a termination or winding-up of the Fund.

The Special Voting Units may be issued in series and will only be issued in connection with or in relation to Non-Subordinated Exchangeable LP Units, Subordinated LP Units of GENIVAR LP or other securities that are, directly or indirectly, exchangeable for Units, in each case for the sole purpose of providing voting rights at the Fund level to the holders of such securities. Special Voting Units will be issued in conjunction with, and will not be transferable separately from, the Non-Subordinated Exchangeable LP Units or Subordinated LP Units (or other exchangeable securities) to which they relate. Conversely, the Special Voting Units will automatically be transferred upon a transfer of the associated Non-Subordinated Exchangeable LP Units or Subordinated LP Units. Each Special Voting Unit will entitle the holder thereof to a number of votes at any meeting of Voting Unitholders equal to the number of Units which may be obtained upon the exchange of the Exchangeable LP Units (or other exchangeable securities) to which the Special Voting Unit relates.

Upon the exchange of the Non-Subordinated Exchangeable LP Units or Subordinated LP Units (or other exchangeable securities) for Units, the Special Voting Units attached to such securities will immediately be cancelled without any further action of the Fund Trustees or the former holder of such Special Voting Units, and the former holder of such Special Voting Units will cease to have rights with respect thereto.

GENIVAR Income Fund

Notes to Interim Consolidated Financial Statements (unaudited)

March 31, 2007

(in thousands of dollars, except the number of units and per unit data and unless otherwise stated)

One Special Voting Unit will be outstanding for each Non-Subordinated Exchangeable LP Unit and Subordinated LP Unit issued by GENIVAR LP. As at March 31, 2007, 7,927,381 Special Voting Units are outstanding and are classified as non-controlling interest.

8 Earnings per unit

The following table reconciles the basic net earnings to the diluted net earnings:

	\$
Basic net earnings	2,672
Non-controlling interest	<u>1,925</u>
Diluted net earnings	<u>4,597</u>

The following table reconciles the basic weighted average number of units outstanding to the diluted weighted average number of units outstanding:

Weighted average number of:	
Units	11,000,000
GENIVAR LP Units (note 6)	<u>7,927,381</u>
Diluted weighted average number of units outstanding	<u>18,927,381</u>

9 Distributions to unitholders

The Fund has committed to distributing to its unitholders all or virtually all of its taxable income and taxable capital gains.

The Fund makes distributions on a monthly basis to unitholders of record as of the last business day of each month with distributions being paid on the 15th day following the end of each month.

GENIVAR Income Fund

Notes to Interim Consolidated Financial Statements (unaudited)

March 31, 2007

(in thousands of dollars, except the number of units and per unit data and unless otherwise stated)

10 Long-Term Incentive Plan ("LTIP")

The officers and key employees are eligible to participate in GENIVAR LP's LTIP. The purpose of the LTIP is to reward officers and key employees for significant performance and associated per Unit cash flows growth of the Fund. Pursuant to the LTIP, GENIVAR LP will set aside a pool of funds based upon the amount, if any, by which the Fund's per Unit distributions exceed certain defined per Unit distributable cash threshold amounts. GENIVAR LP or director of GENIVAR GP Inc. ("the GP Director") appointed to administer the LTIP will purchase Units in the market with this pool of funds and will hold the Units until such time as ownership vests in each participant. Generally, one-third of these Units will vest equally over the three years following the grant of the awards. LTIP participants will be entitled to receive distributions on all Units held for their account prior to the applicable vesting date. Unvested Units held by the GP Director for an LTIP participant will be forfeited if the participant resigns or is terminated for cause prior to the applicable vesting date, and those Units will be sold and the proceeds returned to GENIVAR LP.

The board of directors of GENIVAR GP Inc. or any other authorized committee will have the power to, among other things (i) determine those individuals who will participate in the LTIP, (ii) determine the level of participation of each participant, and (iii) determine the time or times when LTIP awards will vest or be paid to each participant.

Initially, the LTIP will provide for awards that may be earned based on the amount by which Distributable Cash per annum per Unit (calculated on a fully-diluted basis) exceeds a base threshold per Unit per annum. The percentage amount of that excess will be determined in accordance with the table below:

Percentage by which Distributable Cash per Unit Exceeds the Base Threshold ⁽¹⁾	Maximum Proportion of Distributable Cash Available for LTIP Payments
5% or less	10% of any excess up to 5%
Over 5% to 10%	10% of the first 5% and 15% of any excess over 5% but not exceeding 10%
Greater than 10%	10% of the first 5% and 15% of any excess over 5% but not exceeding 10% and 20% of any excess over 10%

⁽¹⁾ Annualized for fiscal periods of less than twelve months.

Until December 31, 2008, the base threshold will be \$1.00 per Unit. After December 31, 2008, the board of directors of GENIVAR GP Inc. or any authorized committee will review and assess the base threshold.

On March 12, 2007, the board of directors of GENIVAR GP Inc. and the Fund trustees approved, pursuant to the LTIP, the purchase of Units in the market for an amount totalling \$829.

As at March 31, 2007, no amount has been disbursed for the purchase of Units in the market under the LTIP.

Since the compensation cost is recognized over the vesting period, an amount of \$69 has been recorded as compensation cost and has been allocated to the contributed surplus for the three-month period ended March 31, 2007.

GENIVAR Income Fund

Notes to Interim Consolidated Financial Statements (unaudited)

March 31, 2007

(in thousands of dollars, except the number of units and per unit data and unless otherwise stated)

11 Net interest expense

	\$
Interest on bank advances	175
Interest on advances payable to the non-controlling unitholder	120
Interest income	(14)
	<hr/>
	281
	<hr/>

12 Statement of cash flows

(a) Change in non-cash working capital items

	\$
Accounts receivable	(3,886)
Income taxes receivable	(7)
Costs and anticipated profits in excess of billings	(6,711)
Prepaid expenses	(923)
Accounts payable and accrued liabilities	4,458
Income taxes payable	32
Billings in excess of costs and anticipated profits	902
	<hr/>
	(6,135)
	<hr/>

(b) Operating and investing activities not affecting cash

Accounts payable and accrued liabilities of \$1,190 for additions to property, plant and equipment and of \$561 for acquisitions of software.

13 Related party transactions

During the three-month period ended March 31, 2007, the Fund entered into the following transactions with related parties:

	\$
Companies controlled by the non-controlling unitholder	
Revenues	935
Costs	112
Marketing, general and administrative expenses	31
Non-controlling unitholder	
Marketing, general and administrative expenses	(24)
Net interest expense	116
	<hr/>
	(16)

GENIVAR Income Fund

Notes to Interim Consolidated Financial Statements (unaudited)

March 31, 2007

(in thousands of dollars, except the number of units and per unit data and unless otherwise stated)

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 to by the related parties.

The amounts due from and (to) related parties have arisen from the transactions referred to above.

Accounts receivable

	As at March 31, 2007 \$	As at December 31, 2006 \$
Companies controlled by the non-controlling unitholder	1,158	959
Non-controlling unitholder	50	-
	<hr/> 1,208	<hr/> 959

Accounts payable and accrued liabilities

	As at March 31, 2007 \$	As at December 31, 2006 \$
Companies controlled by the non-controlling unitholder	<hr/> 1,092	<hr/> 1,083

14 Commitments

The Fund is bound by lease commitments for office premises and equipment. Minimum payments required during the next quarters and for each of the next five fiscal years ending December 31 and thereafter, amount to \$4,600 for the next nine months, \$4,330 in 2008, \$3,170 in 2009, \$2,780 in 2010, \$2,454 in 2011, \$1,824 in 2012 and \$4,389 thereafter.

15 Segment information

The Fund is organized into market segments, which provide the same nature of services and serve similar clients in similar industries. Each of them provides its clients with the same complete range of specialized services, viewed as convergent disciplines by the Fund's management: building, urban infrastructure, transportation, industrial and power and environment. Each market segment presents similar long-term financial performance and the same long-term economic conditions and characteristics. Each of them has comparable operating margins. Therefore, given these similarities, the Fund's management aggregates its market segments into one reporting segment.

GENIVAR Income Fund

Notes to Interim Consolidated Financial Statements (unaudited)

March 31, 2007

(in thousands of dollars, except the number of units and per unit data and unless otherwise stated)

16 Subsequent event

On April 28, 2007, the Fund acquired all the assets, except for the building, and liabilities of NOVE Environnement ("NOVE"), a Quebec-based environment consulting firm previously owned by GENIVAR inc., for a cash amount of \$1,200. On the same day, GENIVAR inc. had acquired all the outstanding shares of NOVE for a consideration of \$1,700.