MESSAGE TO UNITHOLDERS

THE GENIVAR INCOME FUND HAD ANOTHER BANNER YEAR IN 2008 AS WE ACHIEVED ALL OF OUR FINANCIAL GOALS AND CONTINUED TO DEVELOP AND STRENGTHEN OUR COMPANY; WE ALSO CONTINUED TO IMPLEMENT OUR ORGANIC GROWTH AND ACQUISITION STRATEGY. IN STEP WITH OUR GROWTH, OUR WORKFORCE ROSE FROM 2,400 EMPLOYEES AS AT DECEMBER 31, 2007 TO 3,400 AS AT DECEMBER 31, 2008; 750 NEW EMPLOYEES JOINED THE COMPANY AS THE RESULT OF OUR 14 ACQUISITIONS, WHILE THE REST WERE RECRUITED BY GENIVAR. WE REMAIN FOCUSED ON OUR OBJECTIVE OF BECOMING A LEADING CANADIAN NATIONAL MULTIDISCIPLINARY ENGINEERING CONSULTING FIRM IN TERMS OF NOTORIETY AND NUMBER OF EMPLOYEES BY 2010. IN PURSUIT OF THAT GOAL, WE WILL CONTINUE TO CONCENTRATE OUR EFFORTS ON THE CONSISTENT EXECUTION OF OUR BUSINESS PLAN WITH A VIEW TO SECURING A LEADING POSITION IN ALL OF OUR MARKET SEGMENTS WHILE MAINTAINING A PREDOMINANT PRESENCE IN ALL REGIONS AND URBAN CENTRES ACROSS CANADA AND ACHIEVING A CRITICAL MASS OF OVER 5,000 EMPLOYEES. IN PARALLEL WITH THOSE EFFORTS, WE WILL PURSUE OUR INTERNATIONAL DEVELOPMENT BY CARRYING OUT PROJECTS IN SELECTED AFRICAN, MIDDLE EASTERN AND LATIN AMERICAN COUNTRIES. WE WILL ALSO CONTINUE EVALUATING OPPORTUNITIES TO MOVE INTO CERTAIN TARGET REGIONS THAT OFFER GOOD POTENTIAL IN OUR MARKET SEGMENTS, AS WE HAVE SUCCESSFULLY DONE IN THE CARIBBEAN. —

Although the fundamentals of Canada's engineering industry are sound, 2009 will bring challenges due to current economic conditions. While we will remain vigilant, we are confident in the future: our team is strong and our company operates in a variety of good-performing sectors in Canada and overseas. This will mitigate the impact of current economic conditions on our business.

Record Results

In 2008, the Fund posted record results: Our revenues increased from $257.2 million in 2007 to $387.8 million in 2008, an increase of 50.8%. Net revenues rose by 54.9% to $320.1 million, up from $206.6 million during the same period in 2007.

For the 12-month period ended December 31, 2008, net revenues generated by acquisitions were approximately $60.9 million, up 29.5% from 2007; of that amount, $52.5 million was attributable to internal growth, representing a 25.4% increase over 2007. We are particularly pleased with our exceptional internal growth, which is a tribute to the dynamic nature of our team.

Earnings before interest, tax, depreciation and amortization (EBITDA) totalled $68.6 million, up 62.7% from $42.2 million during the same period in 2007. In 2008, we continued to deliver profitable growth. With a 21.4% EBITDA margin over net revenues, we rank among the most profitable

Pierre Shoiry

companies in our industry and continue to deliver superior returns to our unitholders.

Adjusted distributable cash totalled $52.9 million, or $2.26 per unit, of which $38.0 million was distributed to unitholders, representing annual distributions of $1.70 per unit and an adjusted payout ratio of 71.8%. The amount distributed to unitholders included a special one-time year-end distribution of $0.45 per unit declared on December 17, 2008 aimed at maintaining the Fund's non-taxable status.

During the 12-month period ended December 31, 2008, investing activities used $63.4 million in cash, of which $53.6 million was used for business acquisitions and $10.4 million for capital expenditures. With the support of its investors, the Fund raised $50.0 million in new equity in the fourth quarter of 2008; these proceeds were used to reduce our debt. At the end of 2008, the Fund had available credit facilities totalling $82.0 million, including an $80.0 million term facility to finance the Fund's operations and acquisitions. Of the total amount, $71.0 million was unused, less $0.3 million in outstanding letters of credit and the Fund has $14.7 million in cash and cash equivalents. We believe that we are financially well positioned to continue executing our business plan and maintain our growth.

Daniel Fournier

Strategic Acquisitions

In line with 2007, 2008 was marked by the strengthening of our Canadian platform via the acquisition of 14 firms, thereby expanding our geographic reach and enriching our depth of expertise in all of our market segments. Three of these firms were located in Ontario: Transenco, Zenix Engineering and Henderson Paddon & Associates/Oweson; two in Alberta: Phoenix Engineering and EXH Engineering Services; four in British Columbia: RFA Consulting Electrical Engineers, Bullock Baur Associates, Peterson Galloway and Pomeroy Consulting Engineers; and five in Quebec: Doucet & Associés, Solmers, GENIPLUS/Nageco, Consumaj Estrie and DDH Environnement. In 2009, we will stay the course. At the end of March 2009, we

"In 2008, the Fund achieved all of its financial goals. We believe that the Fund is well positioned to continue executing its business plan and to deliver solid long-term performance for its unitholders."

added 100 new employees following the closing of five acquisitions: Envirotel 3000 and WSA Trenchless Consultants in Quebec, ENTRA Consultants in Ontario, Wiebe Environmental Services in Alberta and Design Collaborative Associates, in Trinidad and Tobago, our Caribbean operating base.

Given the fragmentation of the engineering consulting industry, we will continue to identify and evaluate potential acquisitions in Canada, the Caribbean and other international target markets. Our selection criteria will remain rigorous as regards financial considerations, common values and a shared business culture.

Management Interests Aligned

Our partnership structure continued to grow in 2008. As at December 31, 2008, 379 employee-owners indirectly held 38.8% of the Fund. Almost all owner-vendors of the companies acquired in 2008 reinvested a portion of their proceeds in the partnership structure, clearly indicating their commitment to the Fund and their confidence in its success. Our decentralized business model provides our managers with the support they need to develop their activities as they provide responsible management and oversee operations at their respective offices. Thanks to their strong community roots, they have in-depth knowledge of their clients' needs and take all steps to support them in their development. We wish to acknowledge the entrepreneurship and important contribution of our management team to GENIVAR's success in 2008.

Diversified Client Base

The Fund's stable client base is a source of recurring annual revenues. Our client base continued to grow last year; at December 31, 2008, we had approximately 7,000 clients and more than 13,000 active projects. While maintaining its growth pace, GENIVAR continues to meet the needs of its clients. We will continue to serve both public and private-sector clients since approximately 60% of our revenues came from the public sector in 2008, while 40% came from the private sector. Our team will continue to honour its commitment to delivering world-class services and expertise, as well as on-time on-budget projects. In the current economic climate, we have stepped up our efforts to develop business opportunities and we are increasingly proactive in terms of our clients' needs. In our view, this is an excellent opportunity to reinforce client relationships in all of our market segments and to promote our capabilities and wide-ranging expertise. We would like to thank our clients for their continued support and we reiterate our commitment to making their satisfaction our primary focus.

Positive Outlook

All of our market segments and regions experienced growth in 2008. Despite the current economic climate, we believe that the outlook for 2009 is positive, particularly in light of our solid backlog, which stood at $314.1 million as at December 31, 2008. In addition, demand for engineering, project management and environmental services in most of our market segments will be spurred by major investment programs undertaken by various levels of government nationwide.

In 2008, we derived 50.0% of our revenues from our municipal infrastructure and transportation market segments. In our view, we are well positioned to take part in numerous projects thanks to government investments over the next few years, including transportation infrastructure modernization and construction and municipal infrastructure and facilities, including water and wastewater system upgrades and development. Our building sector accounted for 28.0% of our revenues in 2008. Building rehabilitation projects and construction in the healthcare, education, recreational and other institutional sectors are expected to continue, providing a stable environment in the coming years. Environmental services generated 7.0% of our revenues in 2008. We expect that the environmental sector will continue to grow as a result of projects involving environmental protection regulations and measures as well as permit applications in all spheres of activity; site reclamations and closures and new greenhouse gas initiatives will also have a beneficial effect. The industrial and power market segment accounted for 15.0% of our revenues. Demand for clean energy, including wind, hydro and biomass, remains strong in Canada, as does demand for electricity transmission and distribution. The industrial sector was the hardest hit by the economic slowdown and will face challenges in 2009. Overall, we believe that GENIVAR is well positioned to continue executing its business plan and to deliver solid long-term performance for its unitholders.

Governance

GENIVAR is privileged to have a Board of Trustees made up of talented people from a variety of professional backgrounds who provide the stimulus for lively discussion and debate and bring together a wide array of original solutions. In light of the GENIVAR's growth, the Board held various meetings with management over the past year to review the Fund's strategic plan and development goals. The Board has gained in the past year a very good understanding of the Fund's organizational structure, activities and business by meeting with different members of the management. The Board also reviewed the succession planning process to ensure the proper continuation and success of GENIVAR, which greatly depends on the availability of competent people. Governance has always been a priority for us and we believe that sound governance practices will enable the Board and management to continue operating within a clear framework. We would like to thank the Fund's trustees for their commitment, guidance and hard work.

Acknowledgements

Our employees provide the foundation of our success: they are talented, skilled and dedicated, and we would like to take this opportunity to acknowledge their contributions to GENIVAR's success. We are also grateful to our clients and unitholders for their trust and ongoing support.

Pierre Shoiry
President and CEO

Daniel Fournier
Chairman of the Board of Trustees