Management's Discussion and Analysis

Third quarter of fiscal 2014

Three-month and nine-month periods ended December 31, 2013

Table of Contents

February 13, 2014

Unless otherwise indicated, all amounts are in Canadian dollars.

1. PRELIMINARY COMMENTS TO INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

This interim Management's Discussion & Analysis ("MD&A") was prepared under the responsibility of GLV Inc.'s management and approved by its Board of Directors as of February 13, 2014. The information appearing herein accounts for all significant events that occurred prior to that date. The MD&A presents the Corporation's position and business context as they were, to management's best knowledge, upon its approval by the Board of Directors.

This interim MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements and accompanying notes for the three-month and nine-month periods ended December 31, 2013 and 2012, as well as with the audited consolidated financial statements and accompanying notes for the fiscal year ended March 31, 2013. The interim condensed consolidated financial statements for the three-month and nine-month periods ended December 31, 2013 and 2012 have not been reviewed or audited by the Corporation's external auditors.

The financial information presented in this interim MD&A, including tabular amounts, is prepared in accordance with IAS 34, *Interim Financial Reporting*, which is part of International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"), unless otherwise indicated.

In this interim MD&A, "GLV Group" or "the Corporation" designates, as the case may be, GLV Inc. and its subsidiaries and divisions, or GLV Inc. or one of its subsidiaries or divisions, and the information contained is mainly structured by group, specifically Ovivo (water treatment), GL&V Pulp and Paper and the Other group. The fiscal year ended March 31, 2014 and the fiscal years ended March 31 of prior years are sometimes designated by the terms "fiscal 2014," "fiscal 2013" and so forth. The "third quarter of fiscal 2014" and the "third quarter of fiscal 2013" refer to the three-month periods ended December 31, 2013 and 2012, respectively. Unless otherwise indicated, the comparative analysis of operating results and cash flows for the three-month and nine-month periods ended December 31, 2013 is performed in relation to the equivalent periods ended December 31, 2012, whereas the comparative analysis of the financial situation as at December 31, 2013 is performed in relation to data recorded as at March 31, 2013.

This interim MD&A also uses non-IFRS financial measures. Please refer to Section 11, "Reconciliation of non-IFRS financial measures" of this interim report for more information.

Supplementary information about the Corporation, including the Annual Information Form dated June 6, 2013, the MD&A for the year ended March 31, 2013 and press releases are available on the websites of SEDAR (www.sedar.com) and the Corporation (www.glv.com). Certain other documents, including presentations to investors, are also available on the Corporation's website.

2. NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Certain information and statements in this MD&A and other public communications regarding management's objectives, projections, estimates, expectations or forecasts may constitute forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements concern analyses and other information based on forecasted future results and estimates of amounts that cannot yet be determined. These may be observations concerning, in particular, strategies, expectations, planned activities or future actions. Forward-looking statements are recognized by the use of terms such as "forecast," "project," "could," "plan," "aim," "estimate" and other similar terms, possibly used in the future or conditional, particularly with regard to certain assumptions.

The management of GLV Inc. would like to point out that forward-looking statements involve a number of uncertainties and known and unknown risks such that the actual and future results of GLV Group could differ considerably from those stated.

Factors of uncertainty and risk that might result in such differences include contracts with clients regarding equipment and services, operations and turnkey projects, market risk, competition, concentration and liquidity risk, access to financing, dependence on key personnel, information system risk, credit risk, intellectual property rights, reputation, regulatory and legal risk, foreign exchange rate and foreign exchange contract risk, risks related to acquisitions, supply chain, asset impairment, interest rates, and the Corporation's holding company structure. There can be no assurance as to the materialization of the results, performance or achievements as expressed in or underlying the forward-looking statements. In addition, unless otherwise indicated, the forward-looking statements included in this interim MD&A were made as at the date hereof, and unless required to do so pursuant to applicable securities legislation, management of GLV Inc. assumes no obligation to update or revise forward-looking statements as a result of new information, future events or other changes. Forward-looking statements are designed to provide the reader with a description of management's expectations regarding the Corporation's financial performance during fiscal 2014 and may not be appropriate for other purposes.

Additional information about the risk factors to which GLV Inc. is exposed is provided in Section 10, "Risks and uncertainties" of the MD&A for the year ended March 31, 2013.

3. PROFILE OF THE CORPORATION

Description of business

GLV Group is made up of international companies operating primarily in the water treatment (Ovivo) and pulp and paper (GL&V Pulp and Paper) industries that offer comprehensive technological solutions as well as services and equipment tailored to specific client needs. GLV Group's business units operate in more than 25 countries and have over 1,800 employees as at December 31, 2013. GLV Inc. is a public company whose shares trade on the Toronto Stock Exchange under the ticker symbols GLV.A and GLV.B.

- Ovivo designs and markets equipment and integrated solutions for the filtration, clarification, treatment and purification of water that will be used or reused in various industrial and municipal processes, returned into the environment or used for domestic purposes. Ovivo's offering includes rebuilding, upgrading and optimization services for existing equipment, the sale of spare parts as well as maintenance services. To maintain its position in this competitive market, Ovivo places know-how and innovation at the heart of its business strategy. With its advanced technologies, Ovivo stands out from the competition by putting the needs of its clients at the heart of its business strategy. Since April 1, 2013, the operations of Ramivo, previously reported under the Other group, are fully integrated within Ovivo. Ramivo is a manufacturing unit located in Tamàsi, Hungary. Comparative data have been reclassified to take this change into account.

- GL&V Pulp and Paper designs and globally markets equipment used in various stages from pulp preparation to paper production. It is also recognized worldwide for its rebuilding, upgrading and optimization services for existing equipment as well as for the sale of spare parts. By focusing on innovation, it ensures that its portfolio contains products and technologies that bring customers added value, such as lower energy consumption.

- GLV Group also has activities other than those associated with water treatment and pulp and paper. The Van der Molen division specializes in process solutions for the design and marketing of equipment for dissolving, dosing and mixing in beverage production. GLV Group also formerly owned GL&V Fabrication, located in Trois-Rivières, Québec, Canada. On November 16, 2013, the Corporation disposed of the operations and a portion of the assets of this unit.

Strategic approach

GLV Group has always been committed to creating long-term shareholder value and ensuring sustained growth through its business model, which consists in :

- Acquiring technologies, know-how and innovative businesses;
- Generating organic growth through innovation and by focusing on recurring revenues; while,
- Respecting the local cultures of countries in which GLV Group subsidiaries are based.

Thus, GLV Group will generate growth using the following five strategies:

- ***Focus on developing the Parts and Services market, which includes the sale of spare parts and the provision of maintenance and support services.*** With this strategy, GLV Group aims to generate recurrent revenues, which provide greater stability and reduce the impact of economic cycles. The Parts and Services market also ensures organic growth in the key businesses of GLV Group subsidiaries. This market also provides the opportunity to leverage GLV Group's excellent client service and stand out from the competition by offering a comprehensive range of services.

- ***Make innovation a key positioning factor in GLV Group's target markets.*** As GLV Group operates in highly competitive industries, it must continuously introduce innovative products and services for optimizing processes or for reducing clients' energy consumption. This innovation culture, which has been one of the factors driving GLV Group's success in the last three decades, is emphasized in the management of subsidiaries.

- ***Continuously improve the Corporation's profitability.*** GLV Inc.'s management maintains strict control over fixed costs across the organization by using human resources efficiently, effectively integrating and restructuring acquired businesses, continuously improving operational effectiveness of subsidiaries and maintaining an entrepreneurial culture. Also, under its business model, the Corporation makes significant use of an international network of manufacturing subcontractors, reducing fixed costs and giving it the flexibility it needs to accommodate the ebb and flow of demand. With all these measures, a flexible and optimal cost structure can be maintained.

- ***Focus primarily on geographic markets in which GLV Group subsidiaries are already operating.*** Certain markets such as China, India, Southeast Asia, Middle East, Brazil and Russia as well as North Africa and South Africa are expected to grow in the coming years. Meanwhile, more mature markets, namely North America, Europe and the United Kingdom, continue to offer attractive business opportunities for GLV Group businesses.

- ***Maintain the business acquisition strategy. GLV Group will keep seeking opportunities to broaden its technology portfolio, know-how and business unit trademarks.*** It will continue to apply the same acquisition model of focusing on intellectual property and the Parts and Services market.

4. HIGHLIGHTS

For the third quarter of fiscal 2014, the Corporation reported revenues $158.6 million and normalized adjusted EBITDA of $5.1 million, up 9.0% and 11.3%, respectively, from the third quarter of the previous fiscal year. However, the Corporation recorded a net loss attributable to shareholders of GLV Inc. of $26.7 million or $0.61 per share, basic and diluted, compared with net earnings from continuing operations of $3.1 million or $0.07 per share, basic and diluted, for the same quarter of the previous fiscal year. This loss is primarily related to an asset impairment charge of $26.9 million during the quarter at Ovivo arising mainly from lacklustre performance in the Municipal market in Europe, the Middle East and Africa (EMEA) and remeasurement of the value of the Energy segment. In Energy, the combination of delays in the awarding of certain contracts and unfavourable adjustments to cost forecasts for a large contract negatively impacted profitability.

Ovivo's revenues rose 14.9% from the same quarter of the previous fiscal year, driven primarily by 21.3% growth in its four core segments (Municipal, Electronics and Metals, Energy, and Parts and Services). Revenues at GL&V Pulp and Paper were up slightly by 2.4% from the previous year due to higher sales in the Parts and Services market, partly offset by delays in the awarding of contracts for new equipment sales.

At Ovivo, the Electronics and Metals and the Municipal North America markets generated better operating results than in the same quarter of the previous fiscal year, bolstered by a favourable backlog and continuing effectiveness in contract performance and monitoring. The Parts and Services market experienced its best quarter for business volume since measures were implemented to develop this segment. However, profitability declined in the Municipal EMEA market, mainly in the U.K., related to a slowdown in order taking and unsatisfactory performance in the execution of certain contracts. Based on the results recorded in this market over several quarters, management implemented restructuring measures, mainly in this segment, and a restructuring charge of $1.3 million was recorded during the quarter. These measures are expected to generate annual savings of over $2.0 million.

Operating results at GL&V Pulp and Paper were higher than for the same quarter of the previous fiscal year, reflecting the completion of projects with lower margins that impacted results in the third quarter of fiscal 2013 and the significant contribution made by the Parts and Services market to group profitability.

For the third quarter of fiscal 2014, GLV Group's normalized net earnings are $1.5 million or $0.03 per share, basic and diluted, compared with $3.9 million or $0.09 per share, basic and diluted, for the third quarter of the previous fiscal year. This decline in profitability results mainly from higher income tax expense, partly offset by lower net financial expenses and favourable changes related to derivative instruments.

For the nine-month period ended December 31, 2013, the Corporation reported normalized net earnings of $5.6 million or $0.13 per share, basic and diluted, compared with a normalized net loss of $3.2 million or $0.07 per share, basic and diluted, for the same period of the previous fiscal year. This improvement in profitability is due mainly to significantly lower net financial expenses and favourable changes related to derivative instruments which offset the higher income tax expense.

Backlog and outlook

As at December 31, 2013, GLV Group's backlog stood at $429.1 million, its highest level in more than three years, compared with $391.9 million as at September 30, 2013.

Ovivo's higher backlog is primarily due to the Municipal North America market, where a large $28 million contract for an MBR system (membrane bioreactor), announced in October 2013, will be performed mainly during fiscal 2015 and 2016. The rise in backlog was also driven by the Parts and Services market, which stood at a historical high as at December 31, 2013. The backlog in the Electronics and Metals market, which increased significantly over the last 18 months, declined as expected due to the progress made on projects. The backlog in the Municipal EMEA market has been affected by lower order taking, following a significant slowdown in this segment over the last several quarters. In the Energy segment, slow bookings in the first two quarters of fiscal 2014 may have an adverse impact on our results in the upcoming quarters.

Given the backlog level, the ongoing plan to develop the Parts and Services market, implementation of the global procurement strategy and the efforts to continuously improve contract execution, management expects a gradual improvement in Ovivo's operational profitability over the coming quarters.

At GL&V Pulp and Paper, the backlog increased due to the level of order taking for new equipment in North America and in the Parts and Services market.

For fiscal 2014 as a whole, in light of the outlook in the segments serviced by each group, the Corporation continues to expect consolidated revenues to total between $600 million and $625 million.

5. ANALYSIS OF CONSOLIDATED OPERATING RESULTS

Selected information

	Quarters ended December 31		**Nine-month periods ended December 31**	
(in thousands of $, except per share amounts and percentages)	**2013**	2012	**2013**	2012
Revenues	**158,576**	145,530	**453,063**	432,849
Ovivo	**102,948**	89,565	**282,557**	260,343
GL&V Pulp and Paper	**47,712**	46,591	**144,020**	149,366
Other	**7,916**	9,374	**26,486**	23,140
Adjusted EBITDA	**3,770**	3,296	**13,199**	13,496
Ovivo	**4,273**	3,976	**13,091**	12,084
GL&V Pulp and Paper	**2,913**	1,491	**9,030**	8,612
Other	**(3,416)**	(2,171)	**(8,922)**	(7,200)
Normalized adjusted EBITDA	**5,138**	4,615	**15,951**	16,386
Ovivo	**5,560**	5,171	**15,382**	14,527
GL&V Pulp and Paper	**2,994**	1,615	**9,486**	8,736
Other	**(3,416)**	(2,171)	**(8,917)**	(6,877)
Normalized adjusted EBITDA margin (as % of revenues)	**3.2%**	3.2%	**3.5%**	3.8%
Ovivo	**5.4%**	5.8%	**5.4%**	5.6%
GL&V Pulp and Paper	**6.3%**	3.5%	**6.6%**	5.8%
Other	**n/a**	n/a	**n/a**	n/a
Net earnings (loss) attributable to shareholders of GLV Inc.				
from continuing operations	**(26,722)**	3,065	**(24,024)**	(6,745)
from discontinued operations	**-**	(4,503)	**-**	(6,487)
Net earnings (loss)				
attributable to shareholders of GLV Inc.	**(26,722)**	(1,438)	**(24,024)**	(13,232)
attributable to non-controlling interests	**135**	(1)	**112**	(12)
Total	**(26,587)**	(1,439)	**(23,912)**	(13,244)
Cash flows generated from (used in) continuing operations	**3,000**	10,237	**23,930**	(5,701)
Net earnings (loss) per share (basic and diluted)				
Net earnings (loss) from continuing operations	**(0.61)**	0.07	**(0.54)**	(0.15)
Net loss from discontinued operations	**-**	(0.10)	**-**	(0.15)
Net loss	**(0.61)**	(0.03)	**(0.54)**	(0.30)
Cash flows per share (basic and diluted) generated from (used in) continuing operations	**0.07**	0.23	**0.54**	(0.13)

Financial ratios	**December 31, 2013**	March 31, 2013
Total net debt to invested capital ratio	**15.9%**	25.0%
Working capital ratio (excluding the current portion of long-term debt)	**1.44**	1.51

Revenues

	Quarters ended December 31		Change	Organic change[1]	Nine-month periods ended December 31		Change	Organic change[1]
(in thousands of $)	**2013**	2012	%	%	**2013**	2012	%	%
TOTAL	**158,576**	145,530	9.0%	4.5%	**453,063**	432,849	4.7%	3.2%
Ovivo	**102,948**	89,565	14.9%	9.1%	**282,557**	260,343	8.5%	7.9%
New equipment	**82,456**	73,533	12.1%		**226,421**	213,915	5.8%	
Sale of parts and provision of services	**20,492**	16,032	27.8%		**56,136**	46,428	20.9%	
GL&V Pulp and Paper	**47,712**	46,591	2.4%	(2.2)%	**144,020**	149,366	(3.6)%	(6.8)%
New equipment	**15,012**	15,021	(0.1)%		**40,546**	51,955	(22.0)%	
Sale of parts and provision of services	**32,700**	31,570	3.6%		**103,474**	97,411	6.2%	
Other	**7,916**	9,374	(15.6)%	(7.2)%	**26,486**	23,140	14.5%	16.9%

[1] *Organic change is described in Section 11 "Reconciliation of non-IFRS financial measures" in this MD&A.*

Revenue continuity

	Three-month period			
(in thousands of $)	**Ovivo**	**GL&V Pulp and Paper**	**Other**	**Total**
Quarter ended December 31, 2012	**89,565**	**46,591**	**9,374**	**145,530**
Foreign exchange impact	5,262	2,161	603	**8,026**
Disposals	-	-	(1,490)	**(1,490)**
Organic change	8,121	(1,040)	(571)	**6,510**
Total change	**13,383**	**1,121**	**(1,458)**	**13,046**
Quarter ended December 31, 2013	**102,948**	**47,712**	**7,916**	**158,576**

	Nine-month period			
(in thousands of $)	**Ovivo**	**GL&V Pulp and Paper**	**Other**	**Total**
Nine-month period ended December 31, 2012	**260,343**	**149,366**	**23,140**	**432,849**
Foreign exchange impact	8,112	4,780	1,186	**14,078**
Disposals	(5,931)	-	(1,490)	**(7,421)**
Organic change	20,033	(10,126)	3,650	**13,557**
Total change	**22,214**	**(5,346)**	**3,346**	**20,214**
Nine-month period ended December 31, 2013	**282,557**	**144,020**	**26,486**	**453,063**

Consolidated revenues for the third quarter of fiscal 2014 were up $13.0 million compared with the same period of the previous fiscal year, resulting from organic growth of $6.5 million attributable mainly to Ovivo, partly offset by slight declines for GL&V Pulp and Paper and the Other group. Fluctuations in foreign currencies against the Canadian dollar produced a favourable effect of $8.0 million due to the appreciation of the U.S. dollar and the euro and, to a lesser extent, the pound sterling and the Swedish krona. Disposal of the GL&V Fabrication operations had an unfavourable impact of $1.5 million on consolidated revenues for the period.

During the nine-month period ended December 31, 2013, the increase in consolidated revenues totalled $20.2 million compared with the same period of the previous fiscal year, resulting from organic growth of $13.6 million attributable to Ovivo and the Van der Molen division in the Other group, but partly offset by lower new equipment sales at GL&V Pulp and Paper. Foreign currency fluctuation had a favourable effect of $14.1 million, related to depreciation of the Canadian dollar against several currencies, as mentioned above. Lastly, the disposal of an Ovivo subsidiary at the beginning of the third quarter of fiscal 2013 and the sale of the operations and a portion of the assets of GL&V Fabrication during the third quarter of fiscal 2014 had an adverse impact of $7.4 million compared with the same nine-month period of the previous fiscal year.

Ovivo

Ovivo's revenues for the third quarter of fiscal 2014 rose by a total amount of $13.4 million over the same period of the previous fiscal year, attributable to organic growth of $8.1 million or 9.1% in sales. Organic growth in Ovivo's target markets amounted to 15.1%. Due to high backlog, the Electronics and Metals market experienced solid revenue growth compared with the same quarter of the previous fiscal year, as work is underway on several projects. Municipal North America segment revenues were also up slightly, while revenues in the Municipal EMEA market saw a significant decline resulting from lower order levels and the market slowdown in the U.K. Sales of parts and provision of services were consistently up compared with the same period of the previous fiscal year, in line with management's expectations following Ovivo's operational refocusing plan. Foreign currency fluctuations had a favourable impact of $5.3 million, mainly related to the appreciation of the U.S. dollar, the euro and the pound sterling against the Canadian dollar.

Ovivo revenues for the nine-month period ended December 31, 2013 rose $22.2 million over the same period of fiscal 2013, with organic growth of $20.0 million driven by the same factors as in the third quarter of 2014. Foreign currency fluctuations had a favourable effect of $8.1 million. Disposal of a subsidiary at the beginning of the third quarter of fiscal 2013 had an adverse impact of $5.9 million on revenues.

GL&V Pulp and Paper

For the three-month and nine-month periods ended December 31, 2013, GL&V Pulp and Paper reported declines in revenues, at constant exchange rates, of $1.0 million and $10.1 million, respectively, compared with the same periods of the previous fiscal year, due to lower new equipment sales, particularly in North America during the first half of fiscal 2014. Lower revenues were partly offset by growth in sales of parts and provision of services.

Other

Other group revenues declined by $1.5 million over the third quarter of fiscal 2014, following the disposal of the GL&V Fabrication manufacturing division during the quarter. The Van der Molen division reported a slight decrease in revenues.

For the nine-month period ended December 31, 2013, Other group revenues rose by $3.3 million. Given its backlog as at March 31, 2013, the Van der Molen division reported a favourable business volume, which drove organic growth during the first half of fiscal 2014, partially offset by slightly lower revenues at GL&V Fabrication and the impact of its disposal during the third quarter of fiscal 2014. Foreign currency fluctuations also had a favourable impact on the nine-month period ended December 31, 2013.

Revenues by geographic segment based on destination address

	Total		Ovivo		GL&V Pulp and Paper	
	Twelve-month periods ended December 31					
	2013	2012	**2013**	2012	**2013**	2012
	(as % of consolidated revenues)		*(as % of Group revenues)*			
North America	**47.5%**	42.1%	**41.5%**	28.1%	**63.7%**	67.3%
Europe and Russia	**24.5%**	28.3%	**26.7%**	34.8%	**18.4%**	16.6%
Asia and Asia-Pacific	**14.6%**	15.2%	**18.1%**	19.3%	**9.0%**	9.1%
Middle East and Africa	**10.5%**	11.4%	**13.0%**	16.5%	**1.2%**	0.8%
Latin America	**2.9%**	3.0%	**0.7%**	1.3%	**7.7%**	6.2%

The geographic breakdown of revenues by destination address for the twelve-month period ended December 31, 2013, compared with the same period of the previous year, showed a significant increase in the percentage of Ovivo revenues from North America. These changes reflect Ovivo's operational refocusing in its target markets including the Electronics and Metals market which saw a number of significant contract wins in North America. For GL&V Pulp and Paper, the proportion of revenues from North America is down, reflecting the slowdown discussed previously while other geographic areas saw increases in their share of revenues, particularly Europe and Russia, where large contracts were won.

Gross margin (excluding amortization)

	Quarters ended December 31		Change	Organic change	Nine-month periods ended December 31		Change	Organic change
	2013	2012	%	%	**2013**	2012	%	%
In thousands of $	**34,570**	31,617	9.3%	5.7%	**102,968**	99,301	3.7%	2.1%
As % of revenues	**21.8%**	21.7%			**22.7%**	22.9%		

The gross margin as a percentage of revenues remained relatively stable for the three-month and nine-month periods ended December 31, 2013 compared with the same periods of fiscal 2013.

Selling and administrative expenses (excluding amortization)

	Quarters ended December 31		Change	Organic change	Nine-month periods ended December 31		Change	Organic change
	2013	2012	%	%	**2013**	2012	%	%
In thousands of $	**29,432**	27,002	9.0%	4.7%	**87,017**	82,915	4.9%	2.8%
As % of revenues	**18.6%**	18.6%			**19.2%**	19.2%		

Selling and administrative expenses for the three-month and nine-month periods ended December 31, 2013 were higher compared with the same periods of fiscal 2013, owing primarily to investments in resources made to develop Ovivo's Parts and Services market.

However, as a percentage of revenues, selling and administration expenses were stable compared with the same periods of the previous fiscal year.

Adjusted EBITDA and normalized adjusted EBITDA

	Quarters ended December 31		Change	Organic change	Nine-month periods ended December 31		Change	Organic change
(In thousands of $)	**2013**	2012	%	%	**2013**	2012	%	%
Adjusted EBITDA	**3,770**	3,296	14.4%	99.6%	**13,199**	13,496	(2.2)%	10.7%
Ovivo	**4,273**	3,976	7.5%	65.8%	**13,091**	12,084	8.3%	24.6%
GL&V Pulp and Paper	**2,913**	1,491	95.4%	91.3%	**9,030**	8,612	4.9%	4.6%
Other	**(3,416)**	(2,171)	(57.3)%	(55.0)%	**(8,922)**	(7,200)	(23.9)%	(23.2)%
Normalized items	**1,368**	1,319	n/a	n/a	**2,752**	2,890	n/a	n/a
Ovivo	**1,287**	1,195	n/a	n/a	**2,291**	2,443	n/a	n/a
GL&V Pulp and Paper	**81**	124	n/a	n/a	**456**	124	n/a	n/a
Other	**-**	-	n/a	n/a	**5**	323	n/a	n/a
Normalized adjusted EBITDA	**5,138**	4,615	11.3%	12.2%	**15,951**	16,386	(2.7)%	(1.3)%
Ovivo	**5,560**	5,171	7.5%	8.9%	**15,382**	14,527	5.9%	7.5%
GL&V Pulp and Paper	**2,994**	1,615	85.4%	81.7%	**9,486**	8,736	8.6%	8.3%
Other	**(3,416)**	(2,171)	(57.3)%	(55.0)%	**(8,917)**	(6,877)	(29.7)%	(28.8)%
(As % of revenues)								
Normalized adjusted EBITDA margin	**3.2%**	3.2%			**3.5%**	3.8%		
Ovivo	**5.4%**	5.8%			**5.4%**	5.6%		
GL&V Pulp and Paper	**6.3%**	3.5%			**6.6%**	5.8%		
Other	**n/a**	n/a			**n/a**	n/a		

Ovivo

Ovivo's normalized adjusted EBITDA for the third quarter of fiscal 2014 is slightly up from the same quarter of the previous fiscal year. The Electronics and Metals market recorded higher profitability following execution of new projects announced in April 2013. The Municipal segment in North America also reported an improvement following efficient contract performance. This improvement was offset by a slowdown in order taking and execution difficulties for certain contracts in the Municipal EMEA market, a lower-than-expected margin for a large contract in the Energy market, and by investments in resources made under initiatives deployed to develop the Parts and Services market.

The increase in Ovivo's normalized adjusted EBITDA for the nine-month period ended December 31, 2013 was less than that for the third quarter. Growth in the Electronics and Metals market and the Municipal segment in North America was offset by the slowdown in order taking in the Municipal EMEA market, lower profitability in the Energy segment and by investments in resources made under initiatives deployed to develop the Parts and Services market.

GL&V Pulp and Paper

GL&V Pulp and Paper improved its normalized adjusted EBITDA during the third quarter of fiscal 2014, compared with the same period of fiscal 2013, driven by higher revenues from sales of parts and provision of services with greater margins, and despite lower volume for new equipment sales as discussed previously. Also, additional costs for some contracts during the third quarter of the previous fiscal year had a negative impact on operating results.

GL&V Pulp and Paper reported a slight increase in normalized adjusted EBITDA for the nine-month period ended December 31, 2013 compared with the same period a year earlier as normalized adjusted EBITDA decreased in the first quarter of fiscal 2014 owing to lower levels of new equipment sales. This variance was accentuated by a greater backlog as at March 31, 2012, which consequently generated higher revenues and profitability for the first quarter of fiscal 2013.

Other

Normalized adjusted EBITDA for the third quarter of fiscal 2014 and the nine-month period ended December 31, 2013 declined compared with the same periods of fiscal 2013. Organic growth at the Van der Molen division had contributed to a higher normalized adjusted EBITDA during the first quarter of fiscal 2014 but the same scenario was not repeated in the second and third quarters of fiscal 2014 as the margin was eroded by contract performance. Normalized adjusted EBITDA was also affected by the sale of operations and part of the assets of GL&V Fabrication. Last, head office costs were slightly up from the same periods of the previous fiscal year as the stock-based compensation expense was affected by the rise in the GLV share price.

Changes in normalized adjusted EBITDA and normalized adjusted EBITDA margin

The graphs below show the changes in normalized adjusted EBITDA and normalized adjusted EBITDA margin for Ovivo and GL&V Pulp and Paper for the twelve-month periods ended on the indicated dates.

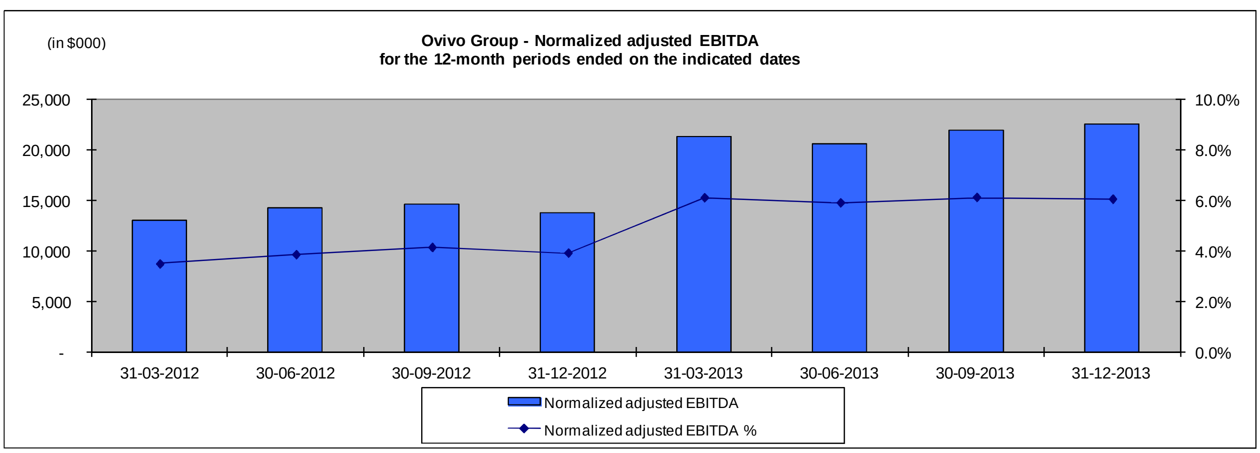
Ovivo

The lower profitability for the twelve-month period ended March 31, 2012 and to a lesser extent the period ended June 30, 2012 stemmed mainly from significantly negative results at a subsidiary in Asia and Asia-Pacific and the Canadian subsidiary operating in the Industrial and Municipal segment, which mostly impacted the fourth quarter of fiscal 2012. The Electronics and Metals market also slowed with backlog at a record low in the first half of fiscal 2013, which has staged a sharp increase since then. This slowdown continued to affect normalized adjusted EBITDA at Ovivo for the twelve-month periods ended September 30, 2012 and December 31, 2012.

The recovery for the twelve-month period ended March 31, 2013 reflected the effect of Ovivo's operational refocusing on the gradual improvement in profitability. The period saw the favourable impact of the near-completion of desalination contracts with negative margins, resulting from the acquisition of Christ Water Technology AG ("CWT"), coupled with the reduction in under-performing projects in the Food and Beverage Processing market that had a greater adverse impact on normalized adjusted EBITDA in the fourth quarter of fiscal 2012.

For the twelve-month period ended June 30, 2013, Ovivo's refocusing plan continued to have a positive impact, partly offset in the first quarter of fiscal 2014 by work performed on certain projects with lower-than-expected margins for the Energy segment in Europe and the Municipal EMEA market, as well as investments in resources required to develop the Parts and Services market.

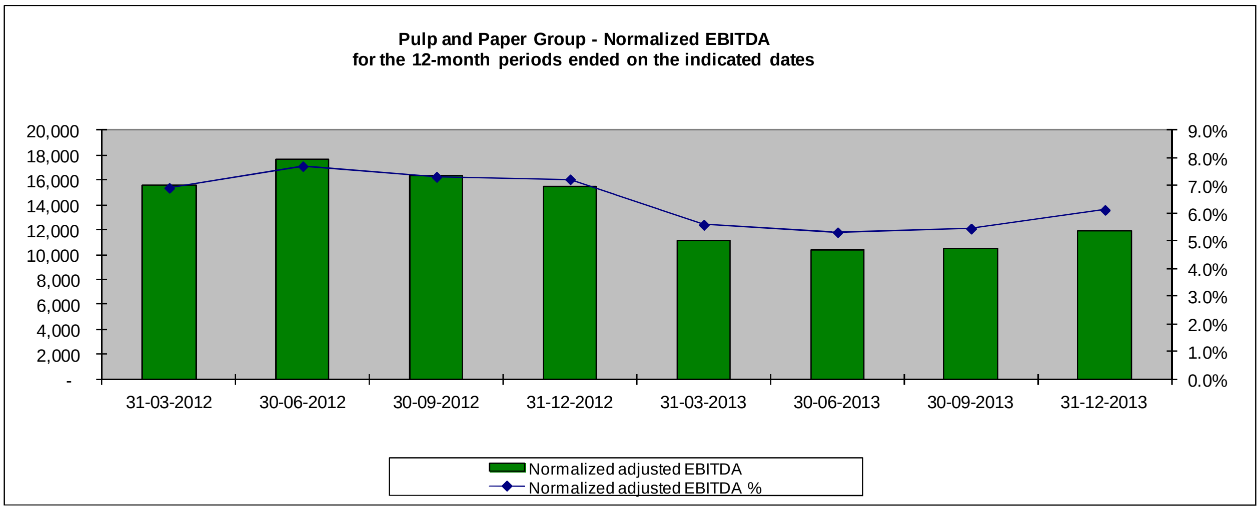
The twelve-month periods ended September 30, 2013 and December 31, 2013 were also bolstered by the ongoing positive effects of Ovivo's refocusing plan as well as by higher profitability in the Electronics and Metals market and the Municipal segment in North America. These positive impacts were partly offset by a slowdown in the Municipal EMEA market, a lower-than-expected margin on a large contract in the Energy segment, and by investments in resources made under initiatives deployed to develop the Parts and Services market.



GL&V Pulp and Paper

For GL&V Pulp and Paper, the graph highlights the favourable performance up to the first quarter of fiscal 2013. In the second and third quarters of fiscal 2013, performance of contracts in progress slowed, curbing normalized adjusted EBITDA for the twelve-month periods ended September 30, 2012 and December 31, 2012. The sharper decline for the year ended March 31, 2013 resulted from the fourth-quarter slowdown in the North American market, while the effect was felt in the European and Asian markets during the last nine months of fiscal 2013.

Business continued to slow down, particularly for the new equipment market, which prompted a slight decline in normalized adjusted EBITDA for the twelve-month periods ended June 30, 2013 and September 30, 2013. Since then, normalized adjusted EBITDA has improved, resulting from better results in the third quarter of fiscal 2014 driven by higher revenues from the sale of parts and the provision of services with greater margins.



Restructuring costs

For the three-month and nine-month periods ended December 31, 2013, restructuring costs amounted to $1.4 million ($1.3 million in 2012) and $2.8 million ($2.9 million in 2012), respectively. These costs, which comprise severance benefits and relocation costs, are primarily related to the restructuring of Ovivo subsidiaries in Germany and the U.K., and to a lesser extent to the near completion of the strategic refocusing announced during the fiscal year ended March 31, 2013, and represent additional costs beyond those initially announced in 2013. Currently, management does not expect any further significant costs in relation to these restructuring initiatives.

Amortization

	Quarters ended December 31		Change	Organic change	Nine-month periods ended December 31		Change	Organic change
(in thousands of $)	**2013**	2012	%	%	**2013**	2012	%	%
Total	**3,147**	3,056	3.0%	0.8%	**9,069**	9,416	(3.7)%	(5.5)%
Property, plant and equipment	**1,393**	1,341	3.9%		**4,003**	4,063	(1.5)%	
Intangible assets	**1,754**	1,715	2.3%		**5,066**	5,353	(5.4)%	

The amortization expense for the third quarter ended December 31, 2013 is up slightly from the same period of the previous fiscal year, due to acquisitions made, primarily in Ovivo.

Amortization expense for the nine-month period ended December 31, 2013 was down, primarily as a result of intangible assets that were fully amortized as at March 31, 2013, thereby reducing amortization expense for the first nine months of fiscal 2014, compared with the same period of the previous fiscal year.

Asset impairment

During the third quarter of fiscal 2014, the Corporation performed goodwill impairment tests on the Energy and Desalination and Municipal EMEA cash-generating units ("CGUs") due to the ongoing restructuring and decline in operating results of these two CGU's. Following this analysis, management recognized a goodwill impairment charge of $19.9 million ($14.6 million for Energy and $5.3 million for Desalination and Municipal EMEA). In addition, an impairment charge of $7.0 million was recognized for other intangible assets (refer to note 12 to the interim condensed consolidated financial statements).

Net financial expenses

	Quarters ended December 31		Change	Nine-month periods ended December 31		Change
(In thousands of $)	**2013**	2012	%	**2013**	2012	%
Total	**1,371**	1,971	(30.4)%	**4,401**	6,005	(26.7)%
Interest on long-term debt	**1,038**	1,437	(27.8)%	**3,550**	4,362	(18.6)%
Interest income	**(63)**	(61)	3.3%	**(284)**	(322)	(11.8)%
Other	**396**	595	(33.4)%	**1,135**	1,965	(42.2)%

The Corporation reported lower net financial expenses for the three-month and nine-month periods ended December 31, 2013, stemming primarily from a gradual reduction in debt following favourable payment terms negotiated for certain contracts.

Foreign exchange loss (gain) and loss (gain) related to derivative financial instruments

	Quarters ended December 31		Change	Nine-month periods ended December 31		Change
(in thousands of $)	**2013**	2012	$	**2013**	2012	$
Foreign exchange loss (gain)	**358**	(1,782)	2,140	**(63)**	906	(969)
Loss (gain) related to derivative financial instruments	**(3,454)**	(1,703)	(1,751)	**(7,110)**	329	(7,439)

Foreign exchange losses or gains are triggered on translation of monetary items recognized in currencies other than the functional currencies of subsidiaries.

The foreign exchange loss for the third quarter of fiscal 2014 resulted mostly from the Canadian dollar's weakening against the U.S. dollar, the euro and the pound sterling. In the third quarter of fiscal 2013, the strengthening of the Corporation's main currencies against the Canadian dollar had generated a foreign exchange gain. The foreign exchange gain for the nine-month period ended December 31, 2013, was triggered mostly by a weakening of the Canadian dollar against the Corporation's main currencies. The foreign exchange loss for the same period ended December 31, 2012 stemmed primarily from the weakening of the euro against the Swedish krona and to a lesser extent the depreciation of the U.S. dollar against the Canadian dollar.

The gain related to derivative financial instruments recognized in the third quarter of fiscal 2014 stemmed from the net realized gain on foreign exchange contracts outstanding as at December 31, 2013 and the favourable remeasurement of the total return swap based on the market price of Class A subordinate voting shares. The gain related to financial instruments for the nine-month period ended December 31, 2013 resulted from the favourable remeasurement of the total return swap and the net realized and unrealized gains on foreign exchange contracts.

Income taxes

	Quarters ended December 31		**Change**	**Nine-month periods ended December 31**		**Change**
(in thousands of $, except percentages)	**2013**	2012	$	**2013**	2012	$
Earnings (loss) before income taxes – continuing operations	**(24,532)**	2,209		**(19,978)**	(3,810)	
Loss before income taxes – discontinued operations	**-**	(4,648)		**-**	(6,706)	
Loss before income taxes	**(24,532)**	(2,439)	(22,093)	**(19,978)**	(10,516)	(9,462)
Income tax expense (recovery) – continuing operations	**2,055**	(855)		**3,934**	2,947	
Income tax recovery – discontinued operations	**-**	(145)		**-**	(219)	
Income tax expense (recovery)	**2,055**	(1,000)	3,055	**3,934**	2,728	1,206
Effective tax rate (%)	**(8.4)%**	41.0%		**(19.7)%**	(25.9)%	
Canadian statutory rate (%)	**26.9%**	26.9%		**26.9%**	26.9%	

The difference between the effective tax rate and Canadian statutory rate resulted primarily from the asset impairment charge recognized during the third quarter of fiscal 2014, which represents a permanent difference, and the increase in valuation allowances. If profitability improves in the coming quarters, a portion of the deferred tax assets currently covered by valuation allowances could be realized.

Discontinued operations

In December 2012, operations of the Waste to Energy CGU were discontinued since they no longer reflected Ovivo's and the Corporation's business model. On December 31, 2012, the Corporation entered into an agreement to sell its interest in its joint venture Ovivo GW&E for a consideration of $1. The disposal was carried out as part of the reorganization of Ovivo's operations, specifically the discontinuation of the Waste to Energy industrial operations, which also included some of the operations of an Ovivo subsidiary. Accordingly, the comparative figures have been adjusted to take into account the presentation of various items under discontinued operations.

Net earnings (loss) attributable to shareholders of GLV Inc.

	Quarters ended December 31		Nine-month periods ended December 31	
	2013	2012	**2013**	2012
(In thousands of $)				
Net loss attributable to shareholders of GLV Inc.	**(26,722)**	(1,438)	**(24,024)**	(13,232)
Net earnings (loss) from continuing operations attributable to shareholders of GLV Inc.	**(26,722)**	3,065	**(24,024)**	(6,745)
Normalized net earnings (loss) attributable to shareholders of GLV Inc.	**1,526**	3,929	**5,608**	(3,205)
(in $ per share, basic and diluted)				
Net loss attributable to shareholders of GLV Inc.	**(0.61)**	(0.03)	**(0.54)**	(0.30)
Net earnings (loss) from continuing operations attributable to shareholders of GLV Inc.	**(0.61)**	0.07	**(0.54)**	(0.15)
Normalized net earnings (loss) attributable to shareholders of GLV Inc.	**0.03**	0.09	**0.13**	(0.07)
Weighted average number of participating shares outstanding (in thousands)	**44,092**	44,092	**44,092**	44,092

For the third quarter of fiscal 2014, the Corporation reported a net loss attributable to shareholders of GLV Inc. of $26.7 million or $0.61 per share, basic and diluted, compared with net earnings from continuing operations of $3.1 million or $0.07 per share, basic and diluted, for the third quarter of fiscal 2013. The loss incurred for the quarter resulted primarily from the impairment charge, which is related mainly to negative results for the Municipal EMEA market and the Energy market.

For the nine-month period ended December 31, 2013, the Corporation reported a net loss attributable to shareholders of GLV Inc. of $24.0 million or $0.54 per share, basic and diluted, compared with a net loss from continuing operations of $6.7 million or $0.15 per share, basic and diluted, for the same period of the previous fiscal year. The loss resulted from the impairment charge recorded during the third quarter of fiscal 2014, as discussed previously. This loss was partly offset by the favourable variance related to derivative financial instruments and lower net financial expenses compared with the nine-month period in the previous fiscal year.

6. SUMMARY OF QUARTERLY PERFORMANCE

	Quarters ended							
	Fiscal 2014			Fiscal 2013				Fiscal 2012
(in thousands of $, except per share amounts)	**Dec. 31, 2013**	**Sept. 30, 2013**	**June 30, 2013**	**March 31, 2013**	**Dec. 31, 2012**	**Sept. 30, 2012**	**June 30, 2012**	**March 31, 2012**
Revenues	158,576	149,782	144,705	152,392	145,530	140,575	146,744	168,519
Adjusted EBITDA	3,770	4,795	4,634	5,300	3,296	3,627	6,573	(1,242)
Normalized adjusted EBITDA	5,138	5,870	4,943	7,828	4,615	5,198	6,573	3,698
Operating income (loss)	(26,257)	1,785	1,722	2,327	695	(707)	3,442	(45,545)
Normalized operating income	1,991	2,860	2,031	4,855	1,559	1,969	3,442	317
Net earnings (loss) attributable to shareholders of GLV Inc. :								
From continuing operations	(26,722)	1,409	1,289	909	3,065	(5,973)	(3,837)	(51,397)
Per share (basic and diluted)	(0.61)	0.03	0.03	0.02	0.07	(0.13)	(0.09)	(1.17)
From normalized continuing operations	1,526	2,484	1,598	3,437	3,929	(3,297)	(3,837)	(5,535)
Per share (basic and diluted)	0.03	0.06	0.04	0.08	0.09	(0.07)	(0.09)	(0.13)
From discontinued operations	-	-	-	(548)	(4,503)	(281)	(1,703)	(1,496)
Per share (basic and diluted)	-	-	-	(0.01)	(0.10)	(0.01)	(0.04)	(0.03)
Total	(26,722)	1,409	1,289	361	(1,438)	(6,254)	(5,540)	(52,893)
Per share (basic and diluted)	(0.61)	0.03	0.03	0.01	(0.03)	(0.14)	(0.13)	(1.20)
Net earnings (loss) attributable to non-controlling interests	135	(4)	(19)	9	(1)	(11)	-	76
Net earnings (loss)	(26,587)	1,405	1,270	370	(1,439)	(6,265)	(5,540)	(52,817)

The Corporation's quarterly results are exposed to economic conditions and are not necessarily comparable from quarter to quarter. Results were impacted by the following factors:

- Additional costs required to complete some CWT-originated desalination contracts and an impairment charge on goodwill and certain intangible assets recognized in the fourth quarter of fiscal 2012.

- Discontinuation of Waste to Energy's industrial operations at Ovivo in the third quarter of fiscal 2013 representing a loss of $4.5 million. To reflect the impact of these operations on earnings (loss), comparative figures for the previous quarters presented in this interim MD&A have been restated.

- The refocusing of Ovivo's operations on target markets translated into a gradual improvement in profitability in the fourth quarter of fiscal 2013, partly offset by GL&V Pulp and Paper given the market slowdowns, particularly in Europe.

- In the first quarter of fiscal 2014, while slowing markets for GL&V Pulp and Paper, the positive impact of Ovivo's business volumes in the Electronics and Metals market was offset by work performed on certain projects with lower-than-expected margins in the Energy segment in Europe and the Municipal EMEA market, as well as investments in resources required to develop the Parts and Services market.

- Even higher growth for Ovivo in the second and third quarters of fiscal 2014, driven by growth in the Electronics and Metals market and the Municipal North America market, was offset by the slowdown in the Municipal EMEA and Energy markets.

7. FINANCIAL POSITION AND CASH FLOWS

Excluding net additions to property, plant and equipment, cash flows generated in the third quarter of fiscal 2014 amounted to $3.0 million ($0.07 per share, basic and diluted) compared with $10.2 million ($0.23 per share, basic and diluted) for the same quarter of fiscal 2013. The nine-month period ended December 31, 2013 generated cash flows totalling $23.9 million ($0.54 per share, basic and diluted) while cash flows amounting to $5.7 million ($0.13 per share, basic and diluted) were used in the corresponding period of fiscal 2013.

	Quarters ended December 31		**Nine-month periods ended December 31**	
	2013	2012	**2013**	2012
(in thousands of $, except per share amounts)				
Cash flows provided by operating activities of continuing operations before net change in non-cash items	**4,433**	1,973	**10,521**	3,597
Net change in non-cash items related to continuing operating activities	**192**	9,123	**18,673**	(8,662)
Additions to property, plant and equipment, net of disposals	**(1,625)**	(859)	**(5,264)**	(636)
Cash flows generated from (used in) continuing operations	**3,000**	10,237	**23,930**	(5,701)
Per share (basic and diluted).	**0.07**	0.23	**0.54**	(0.13)

Impact of net change in non-cash items related to operations

	Quarter ended December 31	**Nine-month period ended December 31**
(In thousands of $)	**2013**	**2013**
Trade and other receivables	**(15,536)**	**(6,908)**
Inventories	**2,741**	**1,504**
Contracts in progress	**18,136**	**11,369**
Prepaid expenses	**(63)**	**(2,751)**
Accounts payable and accrued liabilities, provisions and other liabilities	**(14,620)**	**(28,564)**
Deferred revenues	**9,922**	**48,109**
Income taxes receivable/payable	**(388)**	**(4,086)**
	192	**18,673**

The $0.2 million positive impact on cash flows for the third quarter of fiscal 2014 resulting from changes in non-cash items related to operations was mainly attributable to the decrease in contracts in progress, net of deferred revenues, which vary according to percentage of completion of projects. These impacts were partially offset by an increase in trade and other receivables, which vary according to the billing on projects, and by a decrease in accounts payable and accrued liabilities, provisions and other liabilities resulting from the timing of payments to suppliers and the percentage of completion of certain projects. The $18.7 million favourable impact on cash flows for the nine-month period ended December 31, 2013 was mainly attributable to the increase in deferred revenues over contracts in progress, on which the new contracts announced in April 2013 had a positive cash impact during recent quarters given their favourable payment terms. This impact was partially offset by a decrease in accounts payable and accrued liabilities, provisions and other liabilities resulting from the timing of payments to suppliers and the percentage of completion of certain projects.

The net working capital position stood at $105.1 million as at December 31, 2013, representing a ratio of 1.44 as at that date, compared with $107.1 million and a ratio of 1.51 as at March 31, 2013. The Corporation's total assets amounted to $483.8 million as at December 31, 2013, compared with $474.9 million as at March 31, 2013, an increase attributable mainly to a rise in trade and other receivables and cash and cash equivalents, partially offset by a decrease in goodwill. Management generally seeks to maintain its working capital ratio at about 1.25 given the Corporation's operating business model. The Corporation continues to focus on optimizing management of its working capital to maximize cash flows and reduce financial expenses.

Note that changes in exchange rates for the third quarter of 2014 and the nine-month period ended December 31, 2013 resulted in favourable changes on remeasurement of cash items and cash equivalents totalling $1.0 million and $0.7 million, respectively.

The net effect of changes in cash flows used for the third quarter of fiscal 2014 and the nine-month period ended December 31, 2013 was an increase in cash and cash equivalents of $2.9 million and $8.4 million, respectively.

Investing activities

During the third quarter of fiscal 2014, no cash flows were used for investing activities. The disposal of the operations of GL&V Fabrication, for which a first payment of $2.0 million was received, offset additions to property, plant and equipment during the quarter. Investing activities for the nine-month period ended December 31, 2013 used cash flows totalling $3.8 million, compared with cash flows of $2.0 million used for the corresponding period of the previous fiscal year. During the period, the Corporation acquired property, plant and equipment in the amount of $5.3 million. During the first quarter of fiscal 2013, the Corporation sold a building held for sale for a consideration of $2.2 million.

Additional comments on financial position

	As at December 31, 2013	As at March 31, 2013
(in thousands of $, except ratio)		
Long-term debt, including current portion	**52,884**	70,023
Cash and cash equivalents	**(21,714)**	(13,294)
Total net debt	**31,170**	56,729
Equity	**164,740**	169,772
Invested capital	**195,910**	226,501
Total net debt to invested capital ratio	**15.9%**	25.0%

As at December 31, 2013, the Corporation's total debt amounted to $52.9 million compared with $70.0 million as at March 31, 2013. Net of cash and cash equivalents, total net debt as at December 31, 2013 amounted to $31.2 million for a total net debt to invested capital ratio of 15.9% compared with total net debt of $56.7 million and a 25.0% ratio as at March 31, 2013. Non-convertible European debentures were repaid in April 2013, while they were presented as short-term liabilities in the consolidated financial statements as at March 31, 2013.

As at December 31, 2013, the cash position and bank credit facilities were sufficient to fund operations. Moreover, all financial ratios met the requirements under current credit agreements with GLV Inc.'s banking institutions. Where there are unusual or non-recurring items, the terms of these credit agreements require the use of normalized adjusted EBITDA to determine financial ratios. Accordingly, as at December 31, 2013, financial ratios were calculated using normalized adjusted EBITDA as defined in the agreements, which includes, in particular, the operating results of the past twelve months ended December 31, 2013 of the entities whose shares were acquired and excludes the operating results of the past twelve months ended December 31, 2013 of closed entities or entities with discontinued operations or whose shares or certain assets were sold, as well as restructuring costs and other special items.

In December 2011, the Corporation renewed its main financing agreement for a five-year term for a total amount of $200 million. This facility consists primarily of a $100 million revolving credit facility to meet the Corporation's day-to-day operations, issue letters of credit and finance business acquisitions. As at December 31, 2013, drawdowns under this credit facility totalled $26.1 million. In addition, the Corporation has a second $100 million revolving credit facility to issue letters of credit guaranteed by Export Development Canada. As at December 31, 2013, drawdowns under this second facility amounted to $76.6 million. The financing agreement also includes an uncommitted accordion feature providing access to an additional $50 million.

In the first quarter of fiscal 2014, the Corporation amended certain provisions related to its credit facility in Austria for issuing letters of credit, reducing the maximum amount to €30.0 million ($44.2 million). On January 29, 2014, the facility was reduced again to €25.0 million ($36.8 million). This facility matures in May 2015, while its terms are renegotiable every year at the least. As at December 31, 2013, drawdowns under the facility totalled €16.9 million ($24.9 million).

Share capital information and stock-based compensation

	Authorized	Number of shares issued and outstanding as at December 31, 2013 and as at February 13, 2014
Class A subordinate voting shares	Unlimited	41,912,594
Class B multiple voting shares	Unlimited	2,179,305
Preferred shares	Unlimited	–
		44,091,899

During the nine-month period ended December 31, 2013, the Corporation issued 18,018 stock options. The stock options granted to directors vested on the grant date. During the same period, subsequent to the cancellation of 20,000 stock options, outstanding options to acquire Class A subordinate voting shares under the Corporation's stock option plan numbered 2,111,840 (2,113,822 as at March 31, 2013) of which 1,677,840 (1,497,822 as at March 31, 2013) were exercisable based on the time requirement, notwithstanding achievement of target prices when the requirement applies.

On July 15, 2013, the Corporation's Board of Directors approved implementation of a new performance share unit ("PSU") plan as a long-term incentive plan for senior executives and designated key employees. Under this plan, PSU grants may be awarded annually and will vest after three years based on achievement of certain performance criteria. The first grant of 298,620 PSUs, dated July 15, 2013, set the base price of the PSUs issued at $3.71, which is the weighted average price of the Class A subordinate voting shares for the five trading days immediately preceding the grant date of the PSUs. These PSUs are payable on July 15, 2016.

For further information, refer to note 7 to the interim condensed consolidated financial statements accompanying this MD&A.

8. BACKLOG AND OUTLOOK

	Quarter ended December 31	Quarter ended September 30	**Change**	**Organic change**	Quarter ended March 31	Change	Organic change
(in thousands of $)	**2013**	2013	**%**	**%**	2013	%	%
Total	**429,119**	391,887	**9.5%**	**6.1%**	380,019	**12.9%**	**6.3%**
Ovivo	**345,618**	320,992	**7.7%**	**3.1%**	303,082	**14.0%**	**5.8%**
GL&V Pulp and Paper	**68,668**	58,664	**17.1%**	**14.7%**	62,665	**9.6%**	**7.1%**
Other	**14,833**	12,231	**21.3%**	**56.4%**	14,272	**3.9%**	**14.2%**

Ovivo

Ovivo's backlog as at December 31, 2013 amounted to $345.6 million, reaching a nearly three-year high, compared with $321.0 million as at September 30, 2013 and $303.1 million as a March 31, 2013. The higher backlog is primarily due to the Municipal North America market, where a large $28 million contract for an MBR system, announced in October 2013, will be performed during fiscal 2015 and 2016. The higher backlog is also related to the Parts and Services market as at December 31, 2013, which is at a historical high, reflecting the measures implemented to develop this important market in Ovivo's business strategy.

The Electronics and Metals market, which increased significantly in the last 18 months, saw an anticipated decrease in its backlog as at December 31, 2013, resulting from the percentage of completion of significant projects won during this period. Despite this decrease, the backlog remains at a satisfactory level.

However, Ovivo's backlog has been negatively impacted by the market slowdown in the Municipal EMEA segment, resulting in a decline in tendering and order taking. In the Energy segment, slow bookings in the first two quarters of fiscal 2014 may have an adverse impact on our results in the upcoming quarters.

Given the favourable backlog, the ongoing plan to develop the Parts and Services market, implementation of the global procurement strategy and the efforts to continuously improve contract execution, management expects a gradual improvement in Ovivo's operational profitability over the coming quarters.

GL&V Pulp and Paper

As at December 31, 2013, the GL&V Pulp and Paper's backlog stood above the levels of September 30, 2013 and March 31, 2013. Higher order taking for new equipment in North America during the third quarter offset the economic slowdown that appears to be ongoing in Europe since the beginning of fiscal 2014. This increase is also sustained by order taking in the Parts and Services market.

Management continues its development efforts in Europe to boost this segment's operating volume over the coming quarters. For fiscal 2014 as a whole, current and anticipated backlog is expected to generate a business volume to meet management's expectations.

Other

Despite the higher backlog for the Van der Molen division as at December 31, 2013, management remains prudent and believes that fiscal 2014 could underperform the previous fiscal year.

As announced on November 16, the operations and a portion of the assets of our manufacturing unit, namely GL&V Fabrication, were sold to a group of employees. Accordingly, no orders related to this unit are included in the backlog of the Other group as at December 31, 2013.

Last, head office costs are projected to increase slightly over those of fiscal 2013, as the stock-based compensation expense was affected by the rise in the GLV share price.

Overall outlook

As announced, fiscal 2014 is a year of investments to support the growth of GLV Group as a whole. Several initiatives are underway and will continue over the next few quarters to develop the Parts and Services market, and build on our positioning in our core business segments. Despite increased order taking at Ovivo in the last quarters and a rise in backlog, management remains conservative in its forecasts of operating volume for the next quarters and will continue monitoring global economic conditions closely to ensure the Corporation maintains sufficient flexibility to adapt to any changes in demand and business outlook.

For fiscal 2014 as a whole, in light of the outlook in the segments serviced by each group, the Corporation continues to expect consolidated revenues to total between $600 million and $625 million.

GLV Group remains focused on its objective of long-term value creation for shareholders. To do so, it will rely primarily on Ovivo's refocusing on four core markets, namely Electronics and Metals, Energy, Municipal, and Parts and Services. The water treatment industry has strong organic growth potential driven by expanding global demand for water and as well as growth from acquisition opportunities due to the highly fragmented nature of the industry. Given its overall financial performance and flexibility to adjust to economic conditions, GL&V Pulp and Paper continues to be a major component of our corporate strategy. Last, GLV Group enjoys a favourable financial position and an adequate capital structure to support current operations and pursue development projects.

9. RISKS AND UNCERTAINTIES

In the course of business, the Corporation is subject to a certain number of risks that management assesses on an ongoing basis. Risks and uncertainties as well as risk management practices are discussed in Section 10, "Risks and Uncertainties," of the MD&A for the fiscal year ended March 31, 2013.

Management has observed no material changes regarding risks and uncertainties and has made no significant changes to its risk management practices since the beginning of the fiscal year.

10. ACCOUNTING POLICIES

(a) Critical accounting policies and estimates

The unaudited interim condensed consolidated financial statements of the Corporation for the three-month and nine-month periods ended December 31, 2013 have been prepared in accordance with IAS 34, *Interim Financial Reporting*, which forms part of IFRS issued by the International Accounting Standards Board ("IASB").

The accounting policies used in the unaudited interim condensed consolidated financial statements are the same as and are applied consistently with those presented in note 2 to the annual consolidated financial statements as at March 31, 2013 with the exception of the accounting methods described below.

The preparation of the Corporation's unaudited interim condensed consolidated financial statements in accordance with IFRS requires management to exercise judgment in developing estimates and making forward-looking assumptions that affect the amounts reported in the consolidated financial statements. Actual results could give rise to significant adjustments to the reported amounts of assets, liabilities and earnings (loss) in subsequent periods. The Corporation's most significant estimates and assumptions for the three-month and nine-month periods ended December 31, 2013 are the same as those presented in note 2(c) to the annual consolidated financial statements as at March 31, 2013.

(b) Future changes in accounting policies

IFRS 9, Financial Instruments
In November 2009, the IASB released IFRS 9, *Financial Instruments*, which provides a model for the recognition, classification and measurement of financial instruments, replacing the guidance set out in IAS 39, *Financial Instruments: Recognition and Measurement*. The mandatory effective date of the standard, initially set for annual periods beginning on or after January 1, 2015, has been deferred temporarily by the IASB. The Corporation has not yet assessed the impacts of the standard's adoption on its financial statements.

The following amendments will be effective for the Corporation as of the annual period beginning April 1, 2014:

IAS 32, Financial Instruments: Presentation
In December 2011, the IASB amended this standard for consistency in the application of certain financial asset and financial liability offsetting criteria.

IAS 36, Impairment of Assets
In May 2013, the IASB amended this standard, arising from the drafting of IFRS 13, to impose a disclosure requirement regarding the recoverable amount of impaired assets in cases where the recoverable amount is based on fair value less costs of disposal.

The Corporation is currently assessing the impacts of adopting these new or amended standards.

11. RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

The financial information presented in this MD&A, including tabular amounts, is presented in accordance with IFRS. The information contained in the MD&A also includes some figures regarding earnings (loss) and cash flows that are non-IFRS financial measures, specifically:

- **Adjusted EBITDA**: Earnings before amortization, asset impairment, net financial expenses, foreign exchange loss (gain), loss (gain) related to derivative financial instruments and income taxes;
- **Normalized adjusted EBITDA:** Adjusted EBITDA before items recorded outside the normal course of business, including restructuring costs;
- **Normalized net earnings (loss)**: Earnings (loss) before items recorded outside the normal course of business, including restructuring costs and the asset impairment charge;
- **Cash flows generated from (used in)**: Cash flows provided by (used in) operating activities, less additions to property, plant and equipment (net of disposals);
- **Cash flows generated from (used in) per share**: Cash flows generated from (used in) divided by the weighted average number of participating shares outstanding during the reporting period.

Such measures enable management to assess the operational and financial performance of its operating divisions. These measures are also commonly used by the financial community to analyze and compare the performance of companies engaged in the same industries. However, they are not intended to be regarded as alternatives to other financial performance measures or to the statement of cash flows as indicators of liquidity. They are not intended to represent funds available for debt service, dividends, reinvestment or other discretionary uses, and should not be considered in isolation or as a substitute for other performance measures calculated under IFRS. Management's definition of these measures may differ from similarly titled measures reported by other companies.

To assess the annual growth in revenues excluding the impact of business acquisitions or disposals, the Corporation uses the organic change measure. Organic change is computed by eliminating the impact of revenue from acquisitions or disposals with the comparative period of the previous fiscal year, at constant exchange rates.

The Corporation's backlog consists of firm orders supported, as the case may be, by a signed contract, a purchase order or an advance receipt on a contract. Under certain circumstances, management may decide to include a contract in the backlog even though the contract has not been signed if the stages to be completed are administrative in nature or deemed not to be significant. Management may also decide to defer recognition of a contract in the backlog if, for instance, there are risks that the order could be cancelled or delayed, or that the collection of the selling price is exposed to risks. In that case, the order in question will normally be added to the backlog only upon collection of part of the selling price in the form of advance receipts on a contract, or when management has a reasonable degree of comfort thereof. Management may also decide to record a general reserve accounting for its assessment of the various risks related to the orders recognized in the backlog.

The following table reconciles non-IFRS financial measures from the Corporation's consolidated statement of earnings (loss).

(in thousands of $)	**Ovivo**	**GL&V Pulp and Paper**	**Other**	**Consolidated earnings (loss)**
As presented on the financial statements:				
Quarter ended December 31, 2013				
Operating income (loss) related to continuing operations	**(24,464)**	**2,316**	**(4,109)**	**(26,257)**
Asset impairment	**26,880**	**-**	**-**	**26,880**
Amortization	**1,857**	**597**	**693**	**3,147**
Earnings (loss) related to continuing operations before amortization, asset impairment, net financial expenses, foreign exchange loss (gain), loss (gain) related to derivative financial instruments and income taxes	**4,273**	**2,913**	**(3,416)**	**3,770**
Normalized items	**1,287**	**81**	**-**	**1,368**
Normalized adjusted EBITDA	**5,560**	**2,994**	**(3,416)**	**5,138**
Nine-month period ended December 31, 2013				
Operating income (loss) related to continuing operations	**(18,953)**	**7,312**	**(11,109)**	**(22,750)**
Asset impairment	**26,880**	**-**	**-**	**26,880**
Amortization	**5,164**	**1,718**	**2,187**	**9,069**
Earnings (loss) related to continuing operations before amortization, asset impairment, net financial expenses, foreign exchange loss (gain), loss (gain) related to derivative financial instruments and income taxes	**13,091**	**9,030**	**(8,922)**	**13,199**
Normalized items	**2,291**	**456**	**5**	**2,752**
Normalized adjusted EBITDA	**15,382**	**9,486**	**(8,917)**	**15,951**
Quarter ended December 31, 2012				
Operating income (loss) related to continuing operations	2,884	953	(3,142)	695
Asset impairment	(455)	-	-	(455)
Amortization	1,547	538	971	3,056
Earnings (loss) related to continuing operations before amortization, asset impairment, net financial expenses, foreign exchange loss (gain), loss (gain) related to derivative financial instruments and income taxes	3,976	1,491	(2,171)	3,296
Normalized items	1,195	124	-	1,319
Normalized adjusted EBITDA	5,171	1,615	(2,171)	4,615
Nine-month period ended December 31, 2012				
Operating income (loss) related to continuing operations	6,636	6,836	(10,042)	3,430
Asset impairment	650	-	-	650
Amortization	4,798	1,776	2,842	9,416
Earnings (loss) related to continuing operations before amortization, asset impairment, net financial expenses, foreign exchange loss (gain), loss (gain) related to derivative financial instruments and income taxes	12,084	8,612	(7,200)	13,496
Normalized items	2,443	124	323	2,890
Normalized adjusted EBITDA	14,527	8,736	(6,877)	16,386

12. CONTROLS AND PROCEDURES

As required by National Instrument 52-109 of the Canadian Securities Administrators ("NI 52-109"), GLV has filed certificates signed by the President and Chief Executive Officer and the Chief Financial Officer that, among others, attest to the design of the disclosure controls and procedures and the design of internal control over financial reporting.

GLV's management has designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Corporation, including its consolidated subsidiaries, is made known to them by others within those entities.

During the three-month period ended December 31, 2013, there have been no changes in internal control over financial reporting that have materially affected, or would reasonably be expected to materially affect GLV's internal control over financial reporting.

(SIGNED)
Richard Verreault
President and Chief Executive Officer

(SIGNED)
François Dufresne
Chief Financial Officer

February 13, 2014