Management's Discussion and Analysis

Second quarter of fiscal 2014
Three-month and six-month periods ended September 30, 2013

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November 7, 2013

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 November 7, 2013. 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 six-month periods ended September 30, 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 six-month periods ended September 30, 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 "second quarter of fiscal 2014" and the "second quarter of fiscal 2013" refer to the three-month periods ended September 30, 2013 and 2012, respectively. Unless otherwise indicated, the comparative analysis of operating results and cash flows for the three-month and six-month periods ended September 30, 2013 is performed in relation to the equivalent periods ended September 30, 2012, whereas the comparative analysis of the financial situation as at September 30, 2013 is performed in relation to data recorded as at March 31, 2013.

This 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 approximately 1,900 employees as at September 30, 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. It owns a manufacturing unit, namely GL&V Fabrication, located in Trois-Rivières in Québec, Canada which specializes in the production of custom-made parts from specifications provided by GL&V Pulp and Paper or external clients.

  The Van der Molen division specializes in process solutions for the design and marketing of equipment for dissolving, dosing and mixing in beverage production.

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 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

The Corporation reported positive net earnings for the third consecutive quarter. For the second quarter of fiscal 2014, net earnings amounted to $1.4 million or $0.03 per share, basic and diluted, compared with a net loss from continuing operations of $6.0 million or $0.13 per share, basic and diluted, for the same quarter of the previous fiscal year. The drivers of this higher profitability were, among others, reduced financial expenses and an improved operating performance, particularly for Ovivo, in its key segments.

GLV Group's consolidated revenues for the quarter ended September 30, 2013 were up 6.5% from the same quarter of the previous fiscal year, driven primarily by organic growth of 23% in Ovivo's four target markets (Municipal, Electronics and Metals, Energy, and Parts and Services), reflecting among others the implementation of the strategy of developing Ovivo's Parts and Services market. Revenues at GL&V Pulp and Paper declined slightly from the previous year due to the timing of new equipment sales, partly offset by higher sales in the Parts and Services market.

At Ovivo, the key Electronics and Metals and Municipal North America markets generated better 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 Energy segment's performance in the second quarter of 2014 fell short of results in the previous year, but was consistent with the business plan. Meanwhile, the economic slowdown in the Municipal market in Europe, Middle East and Africa (EMEA), mainly in the U.K., had an adverse impact on second quarter results compared with fiscal 2013.

Although revenues were lower, operating results at GL&V Pulp and Paper were comparable with performance in the same quarter of the previous fiscal year, demonstrating the significant contribution made by the Parts and Services market to group profitability.

GLV Group's improvement in net earnings for the second quarter of fiscal 2014 compared with the corresponding quarter of the previous fiscal year arose primarily from lower net financial expenses, favourable changes related to exchange rates and derivative instruments, the decrease in income tax expense and better consolidated operating performance.

For the six-month period ended September 30, 2013, the Corporation reported net earnings of $2.7 million or $0.06 per share, basic and diluted, compared with a net loss from continuing operations of $9.8 million or $0.22 per share, basic and diluted, for the same period of the previous fiscal year. This improved profitability was driven mainly by lower financial expenses as mentioned above and to a lesser extent by the decrease in the income tax expense that offset the slightly weaker operating performance compared with fiscal 2013.

Backlog and outlook

As at September 30, 2013, GLV Group's backlog stood at $391.9 million, compared with $395.3 million as at June 30, 2013, its highest level in two years. That amount excludes the impact of the large $28 million contract won by Ovivo for its involvement in the upgrading of a waste water purification plant at Canton in Ohio, U.S.A., as announced last October, which was included in the backlog in October.

Ovivo's backlog was slightly higher as at September 30, 2013, owing primarily to the Energy and Municipal North America markets, as well as the Parts and Services market. Following sustained order taking, the Electronics and Metals markets maintained a favourable backlog, despite the degree of completion of work on large contracts announced in the past quarters. The Municipal EMEA market's backlog was lower than in the previous quarter due to the current slowdown in the segment stemming, among others, from the approaching end of the five-year AMP5[1] relating to infrastructure investments in the U.K. However, potential opportunities in infrastructure projects elsewhere in Europe could offset, at least partially, this slowdown in the coming years.

At GL&V Pulp and Paper, the backlog is down marginally, stemming from delays in new equipment order taking, but is partly offset by order taking in the Parts and Services market.

In the Other group, the backlog is slightly down, owing to the backlog at the Van der Molen division which began in fiscal 2014 at a record high since 2010.

As announced, fiscal 2014 is a year of investment for GLV Group, which is expected to translate into a gradual and sustained improvement in profitability. For fiscal 2014 as a whole, assuming exchange rates remain stable at current levels and in light of the outlook in the segments serviced by all groups, the Corporation still expects consolidated revenues to range from $600 million to $625 million.

[1] Asset Management Program 5

5. ANALYSIS OF CONSOLIDATED OPERATING RESULTS

Selected information

	Quarters ended September 30		Six-month periods ended September 30	
(in thousands of $, except per share amounts and percentages)	**2013**	2012	**2013**	2012
Revenues	**149,782**	140,575	**294,487**	287,319
Ovivo	**94,988**	85,636	**179,609**	170,778
GL&V Pulp and Paper	**45,775**	48,598	**96,308**	102,775
Other	**9,019**	6,341	**18,570**	13,766
Adjusted EBITDA	**4,795**	3,627	**9,429**	10,200
Ovivo	**5,010**	3,322	**8,818**	8,108
GL&V Pulp and Paper	**2,766**	2,891	**6,117**	7,121
Other	**(2,981)**	(2,586)	**(5,506)**	(5,029)
Normalized adjusted EBITDA	**5,870**	5,198	**10,813**	11,771
Ovivo	**5,854**	4,570	**9,822**	9,356
GL&V Pulp and Paper	**2,992**	2,891	**6,492**	7,121
Other	**(2,976)**	(2,263)	**(5,501)**	(4,706)
Normalized adjusted EBITDA margin (as a % of revenues)	**3.9%**	3.7%	**3.7%**	4.1%
Ovivo	**6.2%**	5.3%	**5.5%**	5.5%
GL&V Pulp and Paper	**6.5%**	5.9%	**6.7%**	6.9%
Other	**n/a**	n/a	**n/a**	n/a
Net earnings (loss) attributable to shareholders of GLV Inc.:				
from continuing operations	**1,409**	(5,973)	**2,698**	(9,810)
from discontinued operations	**-**	(281)	**-**	(1,984)
Net earnings (loss):				
attributable to shareholders of GLV Inc.	**1,409**	(6,254)	**2,698**	(11,794)
attributable to non-controlling interests	**(4)**	(11)	**(23)**	(11)
Total	**1,405**	(6,265)	**2,675**	(11,805)
Cash flows generated from (used in) continuing operations	**19,350**	(1,341)	**20,930**	(15,938)
Net earnings (loss) per share (basic and diluted)				
Net earnings (loss) from continuing operations	**0.03**	(0.13)	**0.06**	(0.22)
Net loss from discontinued operations	**-**	(0.01)	**-**	(0.05)
Net earnings (loss)	**0.03**	(0.14)	**0.06**	(0.27)
Cash flows per share (basic and diluted) generated from (used in) continuing operations	**0.44**	(0.03)	**0.47**	(0.36)

Financial ratios	**September 30, 2013**	March 31, 2013
Total net debt to invested capital ratio	**16.8%**	25.0%
Working capital ratio (excluding current portion of long-term debt)	**1.42**	1.51

Revenues

	Quarters ended September 30		Change	Organic change (1)	Six-month periods ended September 30		Change	Organic change (1)
(in thousands of $)	**2013**	2012	%	%	**2013**	2012	%	%
TOTAL	**149,782**	140,575	6.5%	5.1%	**294,487**	287,319	2.5%	2.5%
Ovivo	**94,988**	85,636	10.9%	11.1%	**179,609**	170,778	5.2%	7.2%
New equipment	**77,155**	70,656	9.2%		**143,965**	140,382	2.6%	
Sale of parts and provision of services	**17,833**	14,980	19.0%		**35,644**	30,396	17.3%	
GL&V Pulp and Paper	**45,775**	48,598	(5.8)%	(8.9)%	**96,308**	102,775	(6.3)%	(8.8)%
New equipment	**11,444**	15,747	(27.3)%		**25,534**	36,934	(30.9)%	
Sale of parts and provision of services	**34,331**	32,851	4.5%		**70,774**	65,841	7.5%	
Other	**9,019**	6,341	42.2%	33.7%	**18,570**	13,766	34.9%	30.7%

(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 September 30, 2012	**85,636**	**48,598**	**6,341**	**140,575**
Foreign exchange impact	2,837	1,516	538	**4,891**
Disposals	(2,679)	-	-	**(2,679)**
Organic change	9,194	(4,339)	2,140	**6,995**
Total change	**9,352**	**(2,823)**	**2,678**	**9,207**
Quarter ended September 30, 2013	**94,988**	**45,775**	**9,019**	**149,782**

	Six-month period			
(in thousands of $)	**Ovivo**	**GL&V Pulp and Paper**	**Other**	**Total**
Six-month period ended September 30, 2012	**170,778**	**102,775**	**13,766**	**287,319**
Foreign exchange impact	2,850	2,619	583	**6,052**
Disposals	(5,931)	-	-	**(5,931)**
Organic change	11,912	(9,086)	4,221	**7,047**
Total change	**8,831**	**(6,467)**	**4,804**	**7,168**
Six-month period ended September 30, 2013	**179,609**	**96,308**	**18,570**	**294,487**

Consolidated revenues for the second quarter of fiscal 2014 were up $9.2 million compared with the same period of the previous fiscal year, resulting from organic growth of $7.0 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 fluctuations, mainly related to the strengthening of the euro and the U.S. dollar, had a favourable impact of $4.9 million. Last, the disposal of an Ovivo subsidiary at the beginning of the third quarter of fiscal 2013 had an adverse impact of $2.7 million compared with the second quarter of fiscal 2013.

Consolidated revenues rose $7.2 million over the first half of fiscal 2014, driven by the same factors as in the second quarter of 2014. Growth was slower given that in the first quarter, the adverse impact of the disposal of an Ovivo subsidiary and the lower organic change at GL&V Pulp and Paper outweighed the organic growth at Ovivo and the Van der Molen division in the Other group. During the first half of fiscal 2014, foreign currency fluctuations, mainly related to the strengthening of the euro and the U.S. dollar, had a favourable impact of $6.1 million.

Ovivo

Ovivo's revenues for the second quarter of fiscal 2014 rose by a total amount of $9.4 million over the same period of the previous fiscal year, resulting from organic growth of 11.1% or $9.2 million from new equipment sales and sales of parts and provision of services. Organic growth in Ovivo's target markets amounted to 22.7%. The Electronics and Metals market experienced sound revenue growth compared with the second quarter of the previous fiscal year, as work is underway on new projects announced in April 2013, whereas the backlog for the same period of the previous fiscal year was relatively low. Municipal segment revenues in North America were also up, reflecting a certain recovery in that market while revenues in the Municipal EMEA and Energy markets were affected by the slowdown in the U.K. Sales of parts and provision of services were 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, particularly in the euro and the U.S. dollar had a favourable impact.

Ovivo revenues for the first half of fiscal 2014 rose $8.8 million over the same period of fiscal 2013, driven by the same factors as in the second quarter of 2014. However, the dampening effect during the first quarter of fiscal 2014 of the disposal of a subsidiary at the beginning of the third quarter of fiscal 2013 more than offset Ovivo's organic growth during this period.

GL&V Pulp and Paper

GL&V Pulp and Paper reported declines in revenues for the second quarter and the six-month period ended September 30, 2013 of $2.8 million and $6.5 million, respectively, compared with the same periods of the previous fiscal year, due to lower new equipment sales. This decrease, particularly in North America, resulted in part from a market slowdown. Given the backlog as at March 31, 2012, contract performance generated higher revenues for the first quarter of the previous fiscal year. The decline in revenues was partly offset by growth in sales of parts and provision of services and the favourable foreign exchange impact, more specifically with regard to the Swedish krona and the U.S. dollar.

Other

The Other group's revenues for the quarter and six-month periods ended September 30, 2013 increased by $2.7 million and $4.8 million, respectively, compared with the same periods of the previous fiscal year. Given the backlog as at March 31, 2013, the Van der Molen division reported a favourable business volume, which drove organic growth, partially offset by slightly lower revenues from the manufacturing division.

Revenues by geographic segment based on destination address

	Total		**Ovivo**		**GL&V Pulp and Paper**	
	Twelve-month periods ended September 30					
	2013	2012	**2013**	2012	**2013**	2012
	(as % of consolidated revenues)		*(as % of Group revenues)*			
North America	**46.0%**	42.0%	**38.1%**	28.3%	**65.0%**	66.0%
Europe and Russia	**25.5%**	27.6%	**29.0%**	33.0%	**17.2%**	16.7%
Asia and Asia-Pacific	**14.9%**	15.7%	**18.5%**	19.9%	**9.4%**	10.4%
Middle East and Africa	**10.8%**	11.2%	**13.8%**	16.8%	**1.2%**	0.7%
Latin America	**2.8%**	3.5%	**0.6%**	2.0%	**7.2%**	6.2%

The geographic breakdown of revenues by destination address for the twelve-month period ended September 30, 2013, compared with the same period a year earlier, showed an increase for Ovivo and a slight decrease for GL&V Pulp and Paper for the percentage of revenues from North America, and a downward trend for both core operating groups in Asia and Asia-Pacific. For Ovivo, these changes reflect its operational refocusing in its target markets, including the Electronics and Metals market which saw a number of significant contract wins. For other geographic segments, the proportion of revenues is down for Ovivo but slightly up for GL&V Pulp and Paper.

Gross margin (excluding amortization)

	Quarters ended September 30		Change	Organic change	Six-month periods ended September 30		Change	Organic change
	2013	2012	%	%	**2013**	2012	%	%
In thousands of $	**34,690**	32,305	7.4%	5.5%	**68,398**	67,684	1.1%	0.3%
As % of revenues	**23.2%**	23.0%			**23.2%**	23.6%		

The increase in gross margin in the second quarter of fiscal 2014 over the same quarter of fiscal 2013 was driven by Ovivo's improved operating performance in its target markets, as discussed previously. Despite lower business volume for new equipment sales discussed previously, GL&V Pulp and Paper maintained its gross margin in dollars over the quarter with higher sales from sales of parts and provision of services generating a greater margin.

The increase in the gross margin in dollars for the six-month period ended September 30, 2013 is less than the quarter's increase while the gross margin as a percentage was down compared with the same period of the previous fiscal year. This result stemmed primarily from the disposal of an Ovivo subsidiary at the beginning of the third quarter of 2013 and the performance of certain projects with lower-than-expected margins in Europe. To a lesser extent, GL&V Pulp and Paper reported a narrowing in gross margin in dollar terms for the first quarter of this fiscal year, resulting from the decline in business volume.

Selling and administrative expenses (excluding amortization)

	Quarters ended September 30		Change	Organic change	Six-month periods ended September 30		Change	Organic change
	2013	2012	%	%	**2013**	2012	%	%
In thousands of $	**28,820**	27,107	6.3%	3.9%	**57,585**	55,913	3.0%	1.9%
As % of revenues	**19.2%**	19.3%			**19.6%**	19.5%		

Selling and administrative expenses for the three-month and six-month periods ended September 30, 2013 were higher compared with the same periods of fiscal 2013, owing primarily to investments in resources made essentially for developing 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 as the increase was sustained by a comparable growth in revenues.

Adjusted EBITDA and normalized adjusted EBITDA

	Quarters ended September 30		Change	Organic change	Six-month periods ended September 30		Change	Organic change
	2013	2012	%	%	**2013**	2012	%	%
(In thousands of $)								
Adjusted EBITDA	**4,795**	3,627	32.2%	35.2%	**9,429**	10,200	(7.6)%	(5.8)%
Ovivo	**5,010**	3,322	50.8%	53.7%	**8,818**	8,108	8.8%	11.0%
GL&V Pulp and Paper	**2,766**	2,891	(4.3)%	(3.5)%	**6,117**	7,121	(14.1)%	(13.6)%
Other	**(2,981)**	(2,586)	(15.3)%	(14.6)%	**(5,506)**	(5,029)	(9.5)%	(9.1)%
Normalized items	**1,075**	1,571	n/a	n/a	**1,384**	1,571	n/a	n/a
Ovivo	**844**	1,248	n/a	n/a	**1,004**	1,248	n/a	n/a
GL&V Pulp and Paper	**226**	-	n/a	n/a	**375**	-	n/a	n/a
Other	**5**	323	n/a	n/a	**5**	323	n/a	n/a
Normalized adjusted EBITDA	**5,870**	5,198	12.9%	14.5%	**10,813**	11,771	(8.1)%	(6.7)%
Ovivo	**5,854**	4,570	28.1%	29.4%	**9,822**	9,356	5.0%	6.7%
GL&V Pulp and Paper	**2,992**	2,891	3.5%	4.4%	**6,492**	7,121	(8.8)%	(8.3)%
Other	**(2,976)**	(2,263)	(31.5)%	(30.8)%	**(5,501)**	(4,706)	(16.9)%	(16.5)%
(As % of revenues)								
Normalized adjusted EBITDA margin	**3.9%**	3.7%			**3.7%**	4.1%		
Ovivo	**6.2%**	5.3%			**5.5%**	5.5%		
GL&V Pulp and Paper	**6.5%**	5.9%			**6.7%**	6.9%		
Other	**n/a**	n/a			**n/a**	n/a		

Ovivo

Ovivo's normalized adjusted EBITDA for the second quarter of fiscal 2014 is up from the same quarter of the previous fiscal year and is consistent with management's expectations. The increase was driven primarily by the Electronics and Metals market, whose profits rose following performance of new projects announced in April 2013, as well as the Municipal market in North America. This improvement was offset by a slowdown in the Municipal EMEA market, lower profitability in the Energy market, and by investments in resources made under initiatives deployed to develop the Parts and Services market. Also, the costs incurred to complete certain projects in the desalination market had a dampening impact on normalized adjusted EBITDA for the period.

The increase in Ovivo's normalized adjusted EBITDA for the six-month period ended September 30, 2013 is less than the first six months of the previous fiscal year's increase as normalized adjusted EBITDA declined in the first quarter of 2014 compared with the first quarter of the previous fiscal year. Although the Electronics and Metals market grew, this improvement was offset by work performed on certain projects with lower-than-expected margins in the Energy segment in Europe and the Municipal EMEA market, 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 slightly improved its normalized adjusted EBITDA during the second quarter of fiscal 2014 compared with the same period of fiscal 2013, despite a decrease in business volume for the sales of new equipment, described previously, as higher revenues from sales of parts and provision of services generated a higher margin.

GL&V Pulp and Paper reported a decline in normalized adjusted EBITDA for the six-month period ended September 30, 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 second quarter of fiscal 2014 and the six-month period ended September 30, 2013 declined compared with the same periods of fiscal 2013. Organic growth at the Van der Molen division contributed to a higher normalized adjusted EBITDA during the first quarter of fiscal 2014, but the same scenario was not repeated in the second quarter of fiscal 2014 as the margin was eroded by the performance of contracts under less favourable conditions. Normalized adjusted EBITDA was also affected by the decline in activities in its manufacturing division. Lastly, head office costs were comparable to the levels recorded in the same periods of the previous fiscal year.

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.

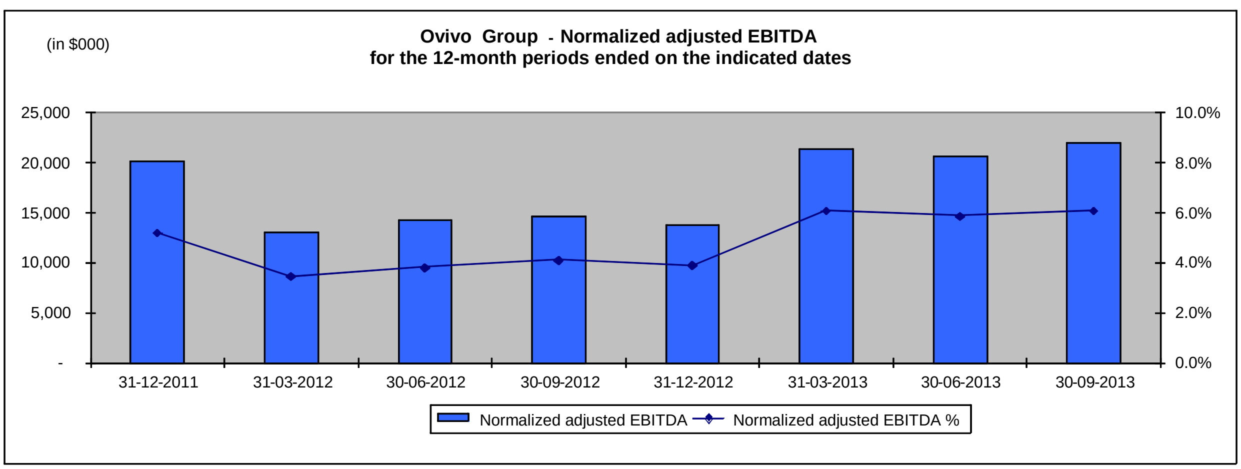
Ovivo

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 Municipal and Industrial 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.

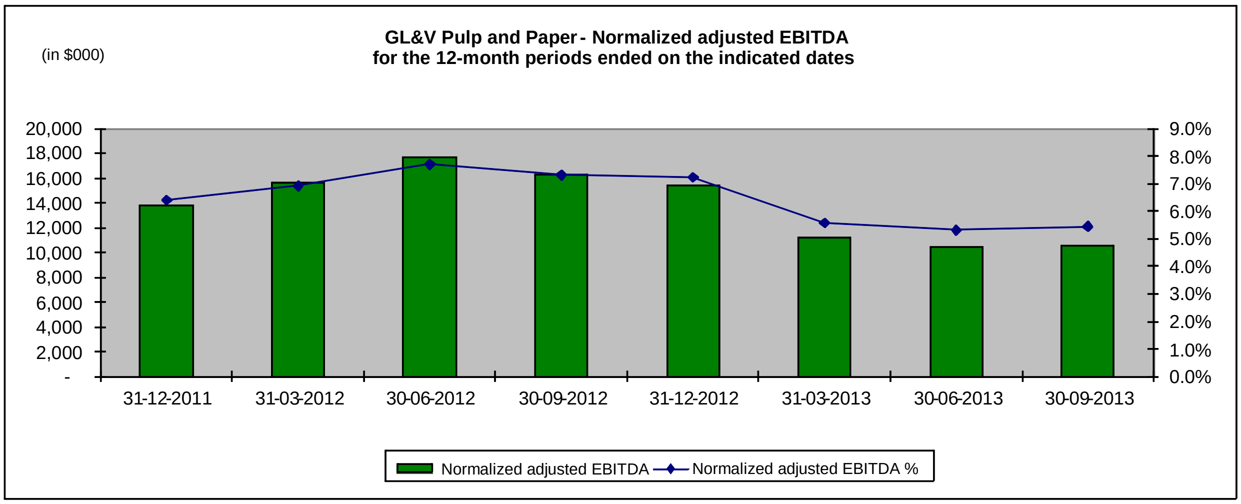
For the twelve-month period ended June 30, 2013, Ovivo's refocusing plan had a positive impact, partly offset in the first quarter of fiscal 2014 by work performed on certain projects with lower-than-expected margins for the Energy segment in Europe and the Municipal EMEA markets, as well as investments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

Ovivo's refocusing plan maintained its beneficial impacts for the twelve-month period ended September 30, 2013, and was marked by higher profitability in the Electronics and Metals market and the Municipal segment in North America, partly offset by the slowdown in the Energy and Municipal EMEA markets and 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 in the fourth quarter of fiscal 2012, with growth continuing in 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 period ended June 30, 2013 and September 30, 2013.



Restructuring costs

Restructuring costs at Ovivo and GL&V Pulp and Paper for the second quarter of fiscal 2014, incurred among others to nearly complete the restructuring announced in the previous fiscal year, as well as the restructuring at an Ovivo subsidiary in Germany, amounted to $0.9 million and $0.2 million, respectively. These amounts primarily consist of severance benefits and relocation costs. Restructuring costs at Ovivo and GL&V Pulp and Paper for the six-month period ended September 30, 2013 were of the same type as for the second quarter and amounted to $1.0 million and $0.4 million, respectively.

Amortization

	Quarters ended September 30		Change	Organic change	Six-month periods ended September 30		Change	Organic change
(in thousands of $)	**2013**	2012	%	%	**2013**	2012	%	%
Total	**3,010**	3,229	(6.8)%	(9.7)%	**5,922**	6,360	(6.9)%	(8.5)%
Property, plant and equipment	**1,344**	1,427	(5.8)%		**2,610**	2,722	(4.1)%	
Intangible assets	**1,666**	1,802	(7.5)%		**3,312**	3,638	(9.0)%	

Amortization expense for the three-month and six-month periods ended September 30, 2013 was down, primarily as a result of intangible assets that were completely amortized as at March 31, 2013, thereby reducing amortization expense for the first two quarters of fiscal 2014, compared with the same periods a year earlier. The disposal of a subsidiary in Finland in the third quarter of fiscal 2013 also reduced amortization expense in the first two quarters of the current fiscal year.

Net financial expenses

	Quarters ended September 30		Change	Six-month periods ended September 30		Change
(in thousands of $)	**2013**	2012	%	**2013**	2012	%
Total	**1,310**	2,204	(40.6)%	**3,030**	4,034	(24.9)%
Interest on long-term debt	**1,084**	1,547	(29.9)%	**2,512**	2,925	(14.1)%
Interest income	**(28)**	(67)	(58.2)%	**(221)**	(261)	(15.3)%
Other	**254**	724	(64.9)%	**739**	1,370	(46.1)%

The Corporation reported lower net financial expenses for the three-month and six-month periods ended September 30, 2013, stemming primarily from a gradual reduction in debt following effective working capital management and favourable payment terms negotiated for its contracts.

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

	Quarters ended September 30		Change	Six-month periods ended September 30		Change
(in thousands of $)	**2013**	2012	$	**2013**	2012	$
Foreign exchange loss (gain)	**177**	1,679	(1,502)	**(421)**	2,688	(3,109)
Loss (gain) related to derivative financial instruments	**(1,418)**	131	(1,549)	**(3,656)**	2,032	(5,688)

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 second quarter of fiscal 2014 compared with the previous quarter resulted mostly from the strengthening of the euro and pound sterling against the U.S. dollar, offset in most part by the Canadian dollar's appreciation against its U.S. counterpart. The foreign exchange gain for the six-month period ended September 30, 2013, was triggered mostly by a weakening of the Canadian dollar against the Corporation's main currencies. In the same quarter of the previous fiscal year and the six-month period ended September 30, 2012, the weakening of the euro and the U.S. dollar against the operating currencies of the Corporation's subsidiaries contributed to a foreign exchange loss.

The gain related to derivative financial instruments for the second quarter of fiscal 2014 was attributable to the net unrealized gain on foreign exchange contracts outstanding as at September 30, 2013. This unrealized gain was pared by the net loss realized on foreign exchange contracts outstanding as at September 30, 2013 and by the unfavourable remeasurement of the total return swap which is based on the price of Class A subordinate voting shares. The gain related to financial instruments for the six-month period ended September 30, 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 September 30		Change	Six-month periods ended September 30		Change
(in thousands of $, except percentages)	**2013**	2012	$	**2013**	2012	$
Earnings (loss) before income taxes – continuing operations	**1,716**	(4,721)		**4,554**	(6,019)	
Loss before income taxes – discontinued operations	**-**	(264)		**-**	(2,058)	
Earnings (loss) before income taxes	**1,716**	(4,985)	6,701	**4,554**	(8,077)	12,631
Income tax expense – continuing operations	**311**	1,263		**1,879**	3,802	
Income tax expense (recovery) – discontinued operations	**-**	17		**-**	(74)	
Income tax expense	**311**	1,280	(969)	**1,879**	3,728	(1,849)
Effective tax rate (%)	**18.1%**	(25.7)%		**41.3%**	(46.2)%	
Canadian statutory rate (%)	**26.9%**	26.9%		**26.9%**	26.9%	

The difference between the effective tax rate and the Canadian statutory rate resulted primarily from the current income tax expense in the U.S. in light of realized profits and certain other items related to their tax position.

Discontinued operations

In December 2012, operations of the Waste to Energy cash-generating unit ("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 September 30		Six-month periods ended September 30	
	2013	2012	**2013**	2012
(in thousands of $)				
Net earnings (loss) attributable to shareholders of GLV Inc.	**1,409**	(6,254)	**2,698**	(11,794)
Net earnings (loss) from continuing operations attributable to shareholders of GLV Inc.	**1,409**	(5,973)	**2,698**	(9,810)
Normalized net earnings (loss) attributable to shareholders of GLV Inc.	**2,484**	(3,297)	**4,082**	(7,134)
(in $ per share, basic and diluted)				
Net earnings (loss) attributable to shareholders of GLV Inc.	**0.03**	(0.14)	**0.06**	(0.27)
Net earnings (loss) from continuing operations attributable to shareholders of GLV Inc.	**0.03**	(0.13)	**0.06**	(0.22)
Normalized net earnings (loss) attributable to shareholders of GLV Inc.	**0.06**	(0.07)	**0.09**	(0.16)
Weighted average number of participating shares outstanding *(in thousands)*				
Basic	**44,092**	44,092	**44,092**	44,092
Diluted	**44,110**	44,092	**44,107**	44,092

For the second quarter of fiscal 2014, the Corporation reported net earnings of $1.4 million or $0.03 per share, basic and diluted, compared with a net loss from continuing operations of $6.0 million or $0.13 per share, basic and diluted, for the second quarter of fiscal 2013. Improved profitability for the second quarter of fiscal 2014 compared with the corresponding quarter of the previous fiscal year stemmed primarily from a favourable variance related to derivative financial instruments and exchange rates, lower net financial expenses, the asset impairment recorded in the second quarter of 2013, better operating results and a decrease in the income tax expense.

For the six-month period ended September 30, 2013, the Corporation reported net earnings of $2.7 million or $0.06 per share, basic and diluted, compared with a net loss from continuing operations of $9.8 million or $0.22 per share, basic and diluted, for the same period of the previous fiscal year. Improved profitability for the first six months of fiscal 2014 compared with the corresponding period of fiscal 2013 stemmed primarily from a favourable variance related to derivative financial instruments and exchange rates, lower net financial expenses, the asset impairment recorded in the second quarter of 2013 and a decrease in the income tax expense, partly offset by the lower consolidated operating results.

6. SUMMARY OF QUARTERLY PERFORMANCE

	Quarters ended							
	Fiscal 2014		**Fiscal 2013**				**Fiscal 2012**	
(in thousands of $, except per share amounts)	**Sept. 30, 2013**	**June 30, 2013**	**March 31, 2013**	**Dec. 31, 2012**	**Sept. 30, 2012**	**June 30, 2012**	**March 31, 2012**	**Dec. 31, 2011**
Revenues	**149,782**	144,705	152,392	145,529	140,575	146,744	168,519	157,781
Adjusted EBITDA	**4,795**	4,634	5,300	3,295	3,627	6,573	(1,242)	6,227
Normalized adjusted EBITDA	**5,870**	4,943	7,828	4,614	5,198	6,573	3,698	6,603
Operating income (loss)	**1,785**	1,722	2,327	694	(707)	3,442	(45,545)	2,787
Normalized operating income	**2,860**	2,031	4,855	1,558	1,969	3,442	317	3,163
Net earnings (loss) attributable to shareholders of GLV Inc.:								
From continuing operations	**1,409**	1,289	909	3,063	(5,973)	(3,837)	(51,397)	(1,734)
Per share (basic and diluted)	**0.03**	0.03	0.02	0.07	(0.13)	(0.09)	(1.17)	(0.04)
From normalized continuing operations	**2,484**	1,598	3,437	3,927	(3,297)	(3,837)	(5,535)	(1,358)
Per share (basic and diluted)	**0.06**	0.04	0.08	0.09	(0.07)	(0.09)	(0.13)	(0.03)
From discontinued operations	**–**	–	(548)	(4,501)	(281)	(1,703)	(1,496)	164
Per share (basic and diluted)	**–**	–	(0.01)	(0.10)	(0.01)	(0.04)	(0.03)	–
Total	**1,409**	1,289	361	(1,438)	(6,254)	(5,540)	(52,893)	(1,570)
Per share (basic and diluted)	**0.03**	0.03	0.01	(0.03)	(0.14)	(0.13)	(1.20)	(0.04)
Net earnings (loss) attributable to non-controlling interests	**(4)**	(19)	9	(1)	(11)	–	76	10
Net earnings (loss)	**1,405**	1,270	370	(1,439)	(6,265)	(5,540)	(52,817)	(1,560)

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.
- A return to positive adjusted EBITDA and operating income for Ovivo in the first quarter of fiscal 2013, despite lower revenues, resulting from efficient performance of contracts in progress and tight cost control.

- Discontinuation of Waste to Energy's industrial operations at Ovivo in the third quarter of fiscal 2013 representing a loss of $4.5 million; comparative figures for the previous quarters reported in this interim MD&A have been restated to take into account the effects of these operations on earnings (loss).
- 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, with 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 quarter of fiscal 2014 driven by growth in the Electronics and Metals market and the Municipal market in North America, was offset by the slowdown in new equipment sales at GL&V Pulp and Paper.

7. FINANCIAL POSITION AND CASH FLOWS

Excluding net additions to property, plant and equipment, cash flows generated in the second quarter of fiscal 2014 amounted to $19.4 million ($0.44 per share, basic and diluted) compared with $1.3 million ($0.03 per share, basic and diluted) in cash flows used in the same quarter of fiscal 2013. For the six-month period ended September 30, 2013, cash flows generated totalled $20.9 million ($0.47 per share basic and diluted) compared with cash flows used of $15.9 million ($0.36 per share, basic and diluted) for the corresponding period of last year.

	Quarters ended September 30		**Six-month periods ended September 30**	
(in thousands of $, except per share amounts)	**2013**	2012	**2013**	2012
Cash flows provided by (used in) operating activities of continuing operations before net change in non-cash items	**2,237**	(1,781)	**6,088**	1,624
Net change in non-cash items related to continuing operating activities	**18,853**	1,550	**18,481**	(17,785)
Additions to property, plant and equipment, net of disposals	**(1,740)**	(1,110)	**(3,639)**	223
Cash flows generated from (used in) continuing operations	**19,350**	(1,341)	**20,930**	(15,938)
Per share (basic and diluted)	**0.44**	(0.03)	**0.47**	(0.36)

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

	Quarter ended September 30	Six-month period ended September 30
(in thousands of $)	**2013**	**2013**
Trade and other receivables	**8,281**	**8,628**
Inventories	**628**	**(1,237)**
Contracts in progress	**1,259**	**(6,767)**
Prepaid expenses	**412**	**(2,688)**
Accounts payable and accrued liabilities, provisions and other liabilities	**(7,614)**	**(13,944)**
Deferred revenues	**16,993**	**38,187**
Income taxes receivable/payable	**(1,106)**	**(3,698)**
	18,853	**18,481**

The $18.9 million favourable impact on cash flows for the second quarter of fiscal 2014 resulting from changes in non-cash items related to operations was mainly attributable to the increase in deferred revenues over contracts in progress, which vary according to the percentage of completion, and on which the new contracts announced in April 2013 had a positive cash impact during the quarter given their favourable payment terms. This favourable impact on cash flows was also driven by lower trade and other receivables, owing primarily to stronger and proactive trade account collections management during the quarter. These impacts were 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 $18.5 million favourable impact on cash flows for the six-month period ended September 30, 2013 was attributable to the same factors as for the quarter.

The net working capital position stood at $100.8 million as at September 30, 2013, representing a ratio of 1.42 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 $498.7 million as at September 30, 2013, compared with $474.9 million as at March 31, 2013, an increase attributable mainly to higher contracts in progress and cash and cash equivalents. 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 working capital to maximize cash flows and reduce financial expenses.

Note that changes in exchange rates for the second quarter of 2014 and the six-month period ended September 30, 2013 resulted in unfavourable changes on remeasurement of cash items and cash equivalents totalling $0.8 million and $0.2 million, respectively.

The net effect of changes in cash flows used for the second quarter of fiscal 2014 and the six-month period ended September 30, 2013 was an increase in cash and cash equivalents of $0.7 million and $5.5 million, respectively.

Investing activities

Investing activities for the second quarter of fiscal 2014 and the six-month period ended September 30, 2013 used cash flows totalling $2.2 million and $3.7 million, respectively, compared with $1.6 million and $1.1 million of cash flows used, respectively, for the corresponding periods a year earlier. 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 September 30, 2013	As at March 31, 2013
(in thousands of $, except ratio)		
Long-term debt, including current portion	**55,441**	70,023
Cash and cash equivalents	**(18,841)**	(13,294)
Total net debt	**36,600**	56,729
Equity	**181,407**	169,772
Invested capital	**218,007**	226,501
Total net debt to invested capital ratio	**16.8%**	25.0%

As at September 30, 2013, the Corporation's total debt amounted to $55.4 million compared with $70.0 million as at March 31, 2013. Net of cash and cash equivalents, total net debt as at September 30, 2013 amounted to $36.6 million for a total net debt to invested capital ratio of 16.8% 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 September 30, 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 those credit agreements require the use of normalized adjusted EBITDA to determine financial ratios. Accordingly, as at September 30, 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 September 30, 2013 of the entities whose shares were acquired, and excludes the operating results of the past twelve months ended September 30, 2013 of private 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 financing consists of a $100 million revolving credit facility to meet the Corporation's day-to-day operations, issue letters of credit and finance business acquisitions, and a second $100 million revolving credit facility to issue letters of credit guaranteed by Export Development Canada. 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 €30,000 ($41,751). This facility matures in May 2015, while its terms are renegotiable every year at the least. As at September 30, 2013, drawdowns under the facility totalled €17.7 million ($24.6 million).

Share capital information and stock-based compensation

	Authorized	Number of shares issued and outstanding as at September 30, 2013 and as at November 7, 2013
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 quarter ended September 30, 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 10,000 stock options, outstanding options to acquire Class A subordinate voting shares under the Corporation's stock option plan numbered 2,121,840 (2,113,822 as at March 31, 2013) of which 1,564,840 (1,497,822 as at March 31, 2013) were exercisable based on the time requirement, notwithstanding achievement of target prices when the requirement applies.

For further information, refer to note 6 to the interim condensed consolidated financial statements accompanying this MD&A.

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.

8. BACKLOG AND OUTLOOK

	Quarter ended September 30	Quarter ended June 30	**Change**	**Organic change**	Quarter ended March 31	Change	Organic change
(in thousands of $)	**2013**	2013	**%**	**%**	2013	%	%
Total	**391,887**	395,318	**(0.9)%**	**(1.0)%**	380,019	**3.1%**	**0.3%**
Ovivo	**320,992**	319,588	**0.4%**	**0.3%**	303,082	**5.9%**	**2.7%**
GL&V Pulp and Paper	**58,664**	61,862	**(5.2)%**	**(5.4)%**	62,664	**(6.4)%**	**(7.1)%**
Other	**12,231**	13,868	**(11.8)%**	**(13.0)%**	14,273	**(14.3)%**	**(18.1)%**

Ovivo

As at September 30, 2013, Ovivo's backlog was of $321.0 million, compared with $319.6 million as at June 30, 2013 and $303.1 million as at March 31, 2013. The higher backlog is partly related to the Parts and Services market as at September 30, 2013, which is at a record level, reflecting the measures taken to develop this important market in Ovivo's business strategy. The implementation of initiatives launched during fiscal 2013 and at the beginning of 2014 should continue to have a gradual improvement on the Parts and Services market over the coming quarters.

The Energy market saw an 11% increase in its backlog compared to its level as at June 30, 2013. The market is driven by significant order taking during the second quarter, in addition to those announced in the first quarter.

For the Municipal North America market, the backlog is on a slight increase, compared with June 30, 2013, reflecting some recovery in this segment. In fact, in October 2013 Ovivo announced a $28 million contract in the U.S. in this segment, which should favourably impact results, starting in fiscal 2015. This contract is not included in the backlog presented above.

Growth has been notable in the Electronics and Metals market in the last 18 months. Order taking in this market remains solid, allowing it to maintain its backlog at a comparable level with June 30, 2013, despite the completion levels on the large contracts announced in recent quarters.

However, Ovivo's backlog has been adversely affected by the slowdown in the Municipal EMEA market resulting, among other factors, from the impending end of the five-year AMP5 program relating to infrastructure investments in the U.K. Nevertheless, there are signs of opportunities in infrastructure projects elsewhere in Europe, which could offset, at least partially, this slowdown in the coming quarters.

GL&V Pulp and Paper

As at September 30, 2013, the GL&V Pulp and Paper's backlog fell below the levels of June 30, 2013 and March 31, 2013. The economic slowdown experienced mainly in Europe in fiscal 2013 continued into the first two quarters of fiscal 2014, translating into a decline in backlog for new equipment, offset however by sustained order taking in the Parts and Services market, which allowed GL&V Pulp and Paper to maintain a solid backlog.

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

Since the beginning of the current fiscal year, GL&V Pulp and Paper has been deploying a five-year action plan to support its business strategy. The effects of this plan should have a gradual impact on the results of GL&V Pulp and Paper.

Other

For the Van der Molen division, results for the first six months of fiscal 2014 are comparable to the results of the previous fiscal year despite a more challenging business environment in its key geographic markets from a development standpoint. With the decrease in backlog as at September 30, 2013, management remains prudent and believes that fiscal 2014 could underperform the previous fiscal year.

As regards our manufacturing unit GL&V Fabrication, discussions are underway between GLV Group and members of local management regarding an eventual transaction that could lead to the sale of the division.

Lastly, head office costs are projected to remain comparable to fiscal 2013 levels.

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, assuming exchange rates remain stable at current levels and in light of the outlook in the markets serviced by each group, and in particular the refocusing of Ovivo's operations, the Corporation still expects 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 favourable 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. Finally, 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 six-month periods ended September 30, 2013 have been prepared in accordance with IAS 34, *Interim Financial Reporting*, which forms part of International Financial Reporting Standards ("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 six-month periods ended September 30, 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

The following changes will be effective for the Corporation as of the fiscal year beginning on April 1, 2015 for IFRS 9 and as of the fiscal year beginning on April 1, 2014 for amended IAS 32 and IAS 36:

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*.

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 prepared 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, 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;
- **Cash flows provided by (used in):** Cash related to operating activities, less additions to property, plant and equipment (net of disposals);
- **Cash flows provided by (used in) per share:** Cash flows provided by (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 September 30, 2013				
Operating income (loss) from continuing operations	3,340	2,200	(3,755)	1,785
Amortization	1,670	566	774	3,010
Earnings (loss) before amortization, net financial expenses, foreign exchange loss (gain), loss (gain) related to derivative financial instruments and income taxes related to continuing operations	5,010	2,766	(2,981)	4,795
Normalized items	844	226	5	1,075
Normalized adjusted EBITDA	5,854	2,992	(2,976)	5,870
Six-month period ended September 30, 2013				
Operating income (loss) from continuing operations	5,511	4,996	(7,000)	3,507
Amortization	3,307	1,121	1,494	5,922
Earnings (loss) before amortization, net financial expenses, foreign exchange loss (gain), loss (gain) related to derivative financial instruments and income taxes related to continuing operations	8,818	6,117	(5,506)	9,429
Normalized items	1,004	375	5	1,384
Normalized adjusted EBITDA	9,822	6,492	(5,501)	10,813
Quarter ended September 30, 2012				
Operating income (loss) from continuing operations	609	2,209	(3,525)	(707)
Asset impairment	1,105	–	–	1,105
Amortization	1,608	682	939	3,229
Earnings (loss) before amortization, net financial expenses, foreign exchange loss (gain), loss (gain) related to derivative financial instruments and income taxes related to continuing operations	3,322	2,891	(2,586)	3,627
Normalized items	1,248	–	323	1,571
Normalized adjusted EBITDA	4,570	2,891	(2,263)	5,198
Six-month period ended September 30, 2012				
Operating income (loss) from continuing operations	3,752	5,883	(6,900)	2,735
Asset impairment	1,105	–	–	1,105
Amortization	3,251	1,238	1,871	6,360
Earnings (loss) before amortization, net financial expenses, foreign exchange loss (gain), loss (gain) related to derivative financial instruments and income taxes related to continuing operations	8,108	7,121	(5,029)	10,200
Normalized items	1,248	–	323	1,571
Normalized adjusted EBITDA	9,356	7,121	(4,706)	11,771

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 September 30, 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)
France De Blois, CPA, CA
Chief Financial Officer

November 7, 2013