Management’s Discussion & Analysis

Third quarter of Fiscal 2012
Three-month and nine-month periods ended December 31, 2011

TABLE OF CONTENTS

Page

1.	Preliminary comments to Interim Management’s Discussion & Analysis	2
2.	Notice regarding forward-looking statements	2
3.	Profile of the Corporation	3
4.	Highlights	4
5.	Analysis of consolidated operating results	6
6.	Summary of quarterly performance	15
7.	Financial situation and Cash flows	16
8.	Backlog and outlook	20
9.	Risks and uncertainties	21
10.	Accounting policies and IFRS	22
11.	Reconciliation of non-IFRS financial measures	24
12.	Controls and procedures	26

February 9, 2012

Unless otherwise indicated, all amounts are in Canadian dollars.

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

This interim Management Discussion & Analysis ("MD&A") was prepared under the responsibility of GLV Inc.'s management and approved by its Board of Directors as of February 9, 2012. 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 interim condensed consolidated financial statements and accompanying notes for the three-month and nine-month periods ended December 31, 2011, as well as with the audited consolidated financial statements and accompanying notes for the fiscal year ended March 31, 2011. The interim condensed consolidated financial statements for the three-month and nine-month periods ended December 31, 2011 and 2010 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 the International Financial Reporting Standards (IFRS), which the Corporation has adopted as basis of presentation since the first quarter of fiscal 2012, April 1, 2010 being the transition date. For more information regarding the conversion to IFRS, please refer to the note 20 of the interim condensed consolidated financial statements and the section 10, "Accounting policies and IFRS" of this interim MD&A.

In this interim MD&A, "GLV" 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 the Water Treatment Group under Ovivo, the Pulp and Paper Group and Other. The fiscal year ended March 31, 2012 and the fiscal years ended March 31 of prior years are sometimes designated by the terms "fiscal 2012," "fiscal 2011" and so forth. The "third quarter of fiscal 2012" and the "third quarter of fiscal 2011" refer to the three-month periods ended December 31, 2011 and 2010, respectively. Unless otherwise indicated, the comparative analysis of operating results and cash flows for the three-month and nine-month periods ended December 31, 2011 is performed in relation to the equivalent periods ended December 31, 2010, whereas the comparative analysis of the financial situation as at December 31, 2011 is performed in relation to data recorded as at March 31, 2011. According to the first IFRS application described above, the results for the three-month and nine-month periods ended December 31, 2010 have been restated for comparison purposes.

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

Supplementary information about the Corporation, including the Annual Information Form dated June 9, 2011, the MD&A for the fiscal year ended March 31, 2011 and the interim reports for the fiscal 2011 and the first two quarters of fiscal 2012 and press releases, are available on SEDAR (www.sedar.com) and the Corporation's website (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 the estimate 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 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 could differ materially from those stated.

Factors of uncertainty and risk that might result in such differences include contracts with clients regarding equipments and services, operations and turnkey projects, dependence on key personnel, risks related to acquisitions, exchange rate and hedging contract risk, credit, asset impairment, market and liquidity risks, competition, supplier-related risks, availability to the financing required to carry on the business and strategic plan, concentration risk, availability of raw materials, fluctuations in interest rates, potential lawsuits regarding intellectual property rights, and risks associated with 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 MD&A were made as at the date hereof, and unless required to do so pursuant to applicable securities legislation, management of GLV 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 and may not be appropriate for other purposes.

Additional information about the risk factors to which GLV is exposed is provided in Section 11, "Risks and uncertainties" of the MD&A for the fiscal year ended March 31, 2011.

3. PROFILE OF THE CORPORATION

Description of business

GLV Inc. is a leading global provider of technological solutions used in water treatment as well as in pulp and paper production. The Corporation operates in some 30 countries and had approximately 2,300 employees as at December 31, 2011.

- The **Water Treatment Group** - **Ovivo** designs and markets equipment and integrated solutions in the form of products and services for the treatment and recycling of municipal and industrial wastewater as well as for water used in various industrial processes. Ovivo also develops seawater desalination technologies and offers water intake screening solutions for power stations, refineries and water desalination facilities. With its extensive technology portfolio, it is positioned to provide comprehensive solutions for the filtration, clarification, treatment and purification of water for return to the environment, re-use in various industrial processes or domestic use.

- The **Pulp and Paper Group** designs and globally markets equipment used in various stages of paper production, from pulp preparation to sheet formation and finishing. It also serves the global market with rebuilding, upgrading and optimization services for existing equipment, as well as the sale of replacement parts. It ensures that its portfolio contains innovative products and technologies that bring customers added value, such as lower energy consumption.

- In addition to these two groups, the Corporation has:
    - Three manufacturing units that specialize in the manufacture of large custom-made parts from specifications provided by the Ovivo, the Pulp and Paper Group or external customers; and
    - The Van Der Molen division that specializes in processes for the designs and marketing of equipment for certain stages of beverage production.

GLV Inc. is a public company whose shares trade on the Toronto Stock Exchange (TSX) under the ticker symbols GLV.A and GLV.B. Its stock is included in the S&P/TSX Clean Technology Index.

Strategic approach

To drive sustained revenue growth and continuous improvement in profitability, the Corporation maintains an entrepreneurial culture across the organization and implements a strategy based on four main axes:

- ***Development of growing geographic markets***
  The Corporation operates worldwide. It strives to expand its presence in its traditional markets of North America and Europe, while positioning itself in areas of the world where water processing and pulp and paper industries boast growth potential, such as Southeast Asia, Australia, the Middle East, China, India and Russia. GLV leverages its in-house expertise to develop and offer to its clients, competitive technologies and know-how.
- ***Development of aftermarket services***
  Aftermarket services, including the sale of spare parts and optimization services for existing equipment, generate recurring revenue streams and added value. The Pulp and Paper Group is already active in this market in North America and Europe and targets as well markets with growing capital spending. Ovivo strives to expand its service offering in equipment optimization and maintenance, operating of certain water treatments plans, and sales of spare parts across all of its markets.
- ***Manufacturing outsourcing***
  The Corporation generally outsources component manufacturing to an international network of subcontractors. Accordingly, its teams can focus on product engineering, project management and sales operations, which it considers an advantage in regard to costs and the ability to adapt to fluctuations in demand.
- ***Acquisition of targeted businesses and technologies***
  The Corporation continually seeks opportunities to enhance its technology portfolio, particularly through the addition of complementary technologies, to expand its commercial presence in growth potential regions.

4. HIGHLIGHTS

For the quarter ended December 31, 2011, the Corporation's results were not in line with management's expectations, resulting from lower-than-expected operational margins and delays in the progress of some contracts, particularly in the Pulp and Paper Group, as well as to a slowdown in the pace of orders intake in certain Ovivo segments in light of the prevailing economic environment.

As at December 31, 2011, excluding a contract still in progress, the Chris Water Technology (CWT) contracts in a desalination segment subsidiary whose completion had a significant adverse effect on results in the first two quarters of fiscal 2012 and the fourth quarter of fiscal 2011 are now complete or awaiting start-up per client timelines. Management continues to closely monitor the last contract in progress with a tight focus on estimating the forthcoming related costs.

While the operating results for most entities remain positive, the Corporation recorded a year-over-year decline in revenues and EBITDA for the current quarter. However, for the nine-month period ended December 31, 2011, EBITDA is higher relative to earnings for the same period of the previous year owing primarily to higher profitability for Ovivo and in the Other group resulting from improved performance in the Van Der Molen division and lower overhead costs at head office.

On December 19, 2011, the Corporation renewed its main financing agreement, which was up for renewal in August 2012, for the next five years. This multi-jurisdictional and multi-currency financing totals $200 million and consists of a $100 million revolving credit facility to meet the Corporation's day-to-day financing requirements, issue letters of credit and finance business acquisitions, and a second $100 million revolving credit facility to issue letters of credit guaranteed by Export and Development Canada ("EDC"). The financing agreement also includes an uncommitted accordion feature providing access to an additional $50 million, providing the Corporation with the flexibility it needs to pursue its growth strategy. Renewal fees of $1.1 million were recognized under financial expenses in earnings for the current quarter.

As at December 31, 2011, the backlog stood at $396.1 million, down from $430.0 million as at the end of the previous quarter, September 30, 2011, but up from $372.2 million as at the beginning of the current fiscal year, March 31, 2011.

The decrease in backlog relative to September 30, 2011, accentuated by an unfavourable foreign exchange effect, was primarily attributable to Ovivo in the desalination segment, the U.S. municipal segment and the petrochemical and pulp and paper divisions. The increase in backlog compared with March 31, 2011 was significant in the Pulp and Paper Group, particularly for new equipment market. For Ovivo, growth in the energy and renewable energy segments was offset by a decline in the U.S. municipal segment.

For fiscal 2012 as a whole, assuming exchange rates remain stable at current levels and in light of the outlook in the sectors served by each group, the Corporation is maintaining its forecast for consolidated revenues of $650 million to $675 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 data and percentages)	**2011**	2010	**2011**	2010
Revenues	**161,663**	185,966	**486,000**	495,587
Ovivo	**95,559**	122,607	**293,412**	320,936
Pulp and Paper	**55,966**	52,876	**161,853**	144,412
Other	**10,138**	10,483	**30,735**	30,239
EBITDA	**6,518**	10,669	**17,071**	12,066
Ovivo	**5,763**	9,657	**13,045**	12,110
Pulp and Paper	**2,491**	3,454	**8,944**	10,564
Other	**(1,736)**	(2,442)	**(4,918)**	(10,608)
Normalized EBITDA	**6,894**	11,580	**18,229**	12,977
Ovivo	**6,139**	9,931	**14,203**	12,384
Pulp and Paper	**2,491**	3,454	**8,944**	10,564
Other	**(1,736)**	(1,805)	**(4,918)**	(9,971)
EBITDA margin (as % of revenues)	**4.3%**	6.2%	**3.8%**	2.6%
Ovivo	**6.4%**	8.1%	**4.8%**	3.9%
Pulp and Paper	**4.5%**	6.5%	**5.5%**	7.3%
Other	**n/a**	n/a	**n/a**	n/a
Net earnings (loss) attributable to shareholders of GLV inc. :				
from continuing operations	**(1,570)**	3,453	**(1,302)**	(7,469)
from discontinued operations	**-**	(4,108)	**-**	(6,558)
Net earnings (loss) :				
attributable to shareholders of GLV inc.	**(1,570)**	(655)	**(1,302)**	(14,027)
attributable to non-controlling interests	**10**	(93)	**(8)**	(901)
Total	**(1,560)**	(748)	**(1,310)**	(14,928)
Generated (used) cash flow from continuing operations	**13,465**	(6,585)	**16,579**	(15,374)
Per share (basic and diluted)				
Net earnings (loss) from continuing operations	**(0.04)**	0.07	**(0.03)**	(0.17)
Net loss from discontinued operations	**-**	(0.09)	**-**	(0.15)
Net loss	**(0.04)**	(0.02)	**(0.03)**	(0.32)
Generated (used) cash flow from continuing operations	**0.31**	(0.15)	**0.38**	(0.35)

Capitalization Ratio	**December 31, 2011**	**March 31, 2011**
Total net debt to invested capital ratio	**15.8%**	18.9%
Working capital ratio	**1.56**	1.52

Revenues

	Quarters ended December 31		Change	Organic growth (1)	Nine-month periods ended December 31		Change	Organic growth (1)
(In thousands of $)	**2011**	2010	%	%	**2011**	2010	%	%
TOTAL	**161,663**	185,966	(13.1)%	(13.2)%	**486,000**	495,587	(1.9)%	(2.2)%
Ovivo	**95,559**	122,607	(22.1)%	(22.0)%	**293,412**	320,936	(8.6)%	(8.7)%
New equipment	**81,511**	102,418	(20.4)%		**250,811**	271,467	(7.6)%	
Sale of parts and provision of services	**14,048**	20,189	(30.4)%		**42,601**	49,469	(13.9)%	
Pulp and Paper	**55,966**	52,876	5.8%	5.1%	**161,853**	144,412	12.1%	11.9%
New equipment	**23,154**	23,239	(0.4)%		**66,693**	56,731	17.6%	
Sale of parts and provision of services	**32,812**	29,637	10.7%		**95,160**	87,681	8.5%	
Other	**10,138**	10,483	(3.3)%	(2.9)%	**30,735**	30,239	1.6%	(0.4)%

(1) *Organic growth is described in section 11 "Reconciliation of non-IFRS financial measures" in this MD&A report.*

For the third quarter of fiscal 2012, the decline in consolidated revenues compared with the same period of the previous fiscal year was attributable to Ovivo, where certain business segments have seen delays, in the past few months, in awarding contracts although tendering activity remains good.

For the nine-month period ended December 31, 2011, the decline in Ovivo revenues, particularly in the third quarter of 2012, was partially offset by higher revenues generated by the Pulp and Paper Group.

Currency fluctuations had very little impact on consolidated and segmented revenues for the third quarter and the first nine months of 2012.

Ovivo

For the third quarter of 2012 and the nine-month period ended December 31, 2011, the decline in revenues compared with the corresponding periods of fiscal 2011 is due to the significant decrease in revenues of a subsidiary in the desalination segment since the first quarter of 2012 and the lower operating volume in the U.S. municipal segment, down sharply in the current quarter.

The microelectronics segment also reported a decline in revenues for the third quarter of 2012 while for the nine-month period ended December 31, 2011, the decline in revenues was partially offset by higher revenues from the petrochemical and pulp and paper divisions.

Excluding the significant reduction of revenues in a desalination segment subsidiary, Ovivo's organic growth would have been slightly positive for the nine-month period ended December 31, 2011.

Pulp and Paper Group

For the third quarter of 2012 and the nine-month period ended December 31, 2011, the Pulp and Paper Group reported steady organic revenue growth of 5.1% and 11.9%, respectively. Growth was mainly driven by new equipment contracts in the first two quarters of fiscal 2012 and by aftermarket services in the third quarter of 2012. Delays affecting certain contracts temporarily dampened growth resulting in deferral of revenue recognition to the next quarter.

Other

For the third quarter of 2012 and the nine-month period ended December 31, 2011, the variation over the corresponding periods in the previous year was attributable to increase in revenues for the Van Der Molen division, offset by lower volume for the manufacturing units.

Revenues by geographic segment based on destination address

	Total		Ovivo		Pulp & Paper	
	Twelve-month periods ended December 31					
	2011	2010	**2011**	2010	**2011**	2010
	(as % of consolidated revenues)		*(as % of group revenues)*			
North America	**40.9%**	40.4%	**33.0%**	34.2%	**59.0%**	58.6%
Europe and Russia	**25.8%**	26.2%	**25.4%**	27.1%	**20.6%**	20.4%
Asia an Asian Pacific	**19.1%**	16.8%	**24.1%**	18.6%	**12.7%**	15.6%
Middle-East and Africa	**10.5%**	14.8%	**15.0%**	20.0%	**1.2%**	0.9%
Latin America	**3.7%**	1.8%	**2.5%**	0.1%	**6.5%**	4.5%

The geographic breakdown of revenues by destination address for the most recent twelve-month period compared with the previous period shows, for Ovivo, an increase in Asia and Asian Pacific in microelectronics market and the petrochemical and pulp and paper divisions. Furthermore, it shows a decrease in Middle-East and Africa due to the significant reduction in activities of the desalination segment.

Gross margin

	Quarters ended December 31		Change	Change at constant exchange rates	Nine-month periods ended December 31		Change	Change at constant exchange rates
	2011	2010	%	%	**2011**	2010	%	%
In thousands of $	**36,475**	40,278	(9.4)%	(9.8)%	**106,273**	101,448	4.8%	4.2%
As % of revenues	**22.6%**	21.7%			**21.9%**	20.5%		

For the third quarter of 2012, the Corporation reported a lower consolidated operating margin in dollars compared with the corresponding period of 2011, primarily as a result of the decline in revenues for Ovivo. The gross margin as a percentage of revenues rose slightly from the same period of last year due to improved project management by certain Ovivo entities resulting from management's implementation of stronger processes in recent quarters.

For the nine-month period ended December 31, 2011, the improved gross margin in dollars and as a percentage of revenues was driven by Ovivo's microelectronics and energy segments, offset by the significant unfavourable impact of the desalination segment during the first two quarters of the fiscal year. The manufacturing units in Europe and the Van Der Molen division, reported under Other group improved their gross margin, reflecting efficient execution of current projects.

Selling and administrative expenses

	Quarters ended December 31		Change	Change at constant exchange rates	Nine-month periods ended December 31		Change	Change at constant exchange rates
	2011	2010	%	%	**2011**	2010	%	%
In thousands of $	**29,581**	28,698	3.1%	2.4%	**88,044**	88,471	(0.5)%	(1.3)%
As % of revenues	**18.3%**	15.4%			**18.1%**	17.9%		

For the third quarter of 2012 and the nine-month period ended December 31, 2011, selling and administrative expenses changed slightly in dollar terms and rose as a percentage of revenues compared with the same periods of previous year due to a sharper decline in revenues over the current quarter.

EBITDA and normalized EBITDA

	Quarters ended December 31		Change	Change at constant exchange rates	Nine-month periods ended December 31		Change	Change at constant exchange rates
	2011	2010	%	%	**2011**	2010	%	%
(In thousands of $)								
EBITDA	**6,518**	10,669	(38.9)%	(38.4)%	**17,071**	12,066	41.5%	42.9%
Ovivo	**5,763**	9,657	(40.3)%	(40.2)%	**13,045**	12,110	7.7%	9.0%
Pulp & Paper	**2,491**	3,454	(27.9)%	(26.9)%	**8,944**	10,564	(15.3)%	(13.8)%
Other	**(1,736)**	(2,442)	28.9%	29.4%	**(4,918)**	(10,608)	53.6%	52.1%
Normalized items	**376**	911	n/a	n/a	**1,158**	911	n/a	n/a
Ovivo	**376**	274	n/a	n/a	**1,158**	274	n/a	n/a
Pulp & Paper	**-**	-	n/a	n/a	**-**	-	n/a	n/a
Other	**-**	637	n/a	n/a	**-**	637	n/a	n/a
Normalized EBITDA	**6,894**	11,580	(40.5)%	(40.0)%	**18,229**	12,977	40.5%	41.8%
Ovivo	**6,139**	9,931	(38.2)%	(38.1)%	**14,203**	12,384	14.7%	16.0%
Pulp & Paper	**2,491**	3,454	(27.9)%	(26.9)%	**8,944**	10,564	(15.3)%	(13.8)%
Other	**(1,736)**	(1,805)	3.8%	4.4%	**(4,918)**	(9,971)	50.7%	49.1%
(as % of revenues) **Normalized EBITDA margin**	**4.3%**	6.2%			**3.8%**	2.6%		
Ovivo	**6.4%**	8.1%			**4.8%**	3.9%		
Pulp & Paper	**4.5%**	6.5%			**5.5%**	7.3%		
Other	**n/a**	n/a			**n/a**	n/a		

Ovivo

Ovivo reported lower EBITDA and a lower EBITDA margin compared with the corresponding three-month period of the previous year, stemming from the decline in revenues in the U.S. municipal segment and the slower pace of order taking in certain industrial market segments.

However, for the nine-month period ended December 31, 2011, EBITDA improved following excellent second quarter 2012 results compared with the same period a year earlier, mainly due to operating losses of an energy segment subsidiary in the U.K. recognized in the second quarter of 2011, and a higher contribution from the microelectronics segment. This was partially offset by the operating loss of a desalination segment subsidiary and reduced business in the North American municipal segment.

Pulp and Paper Group

For the third quarter of 2012 and the nine-month period ended December 31, 2011, the Pulp and Paper Group reported lower results compared with the corresponding periods of the previous fiscal year. Although fluctuations in demand for aftermarket services had an impact on profitability in the first two quarters, the negative third quarter performance reflects additional costs recognized to complete certain new equipment sales contracts, mainly in Europe.

Other

For the third quarter of 2012 and the nine-month period ended December 31, 2011, the Other group reported improved year-over-year results, particularly in the first two quarters of 2012, fuelled by sustained performance of the Van Der Molen division and lower head office expenses following the shutdown of the CWT head office at the end of second quarter of 2011.

Changes in normalized EBITDA and normalized EBITDA margin

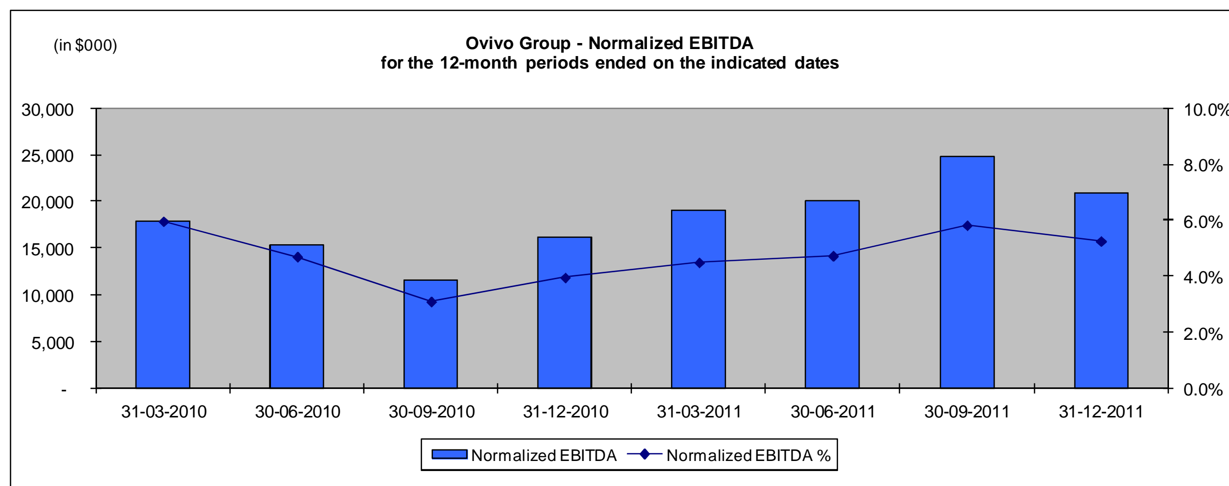
The graphs below show the changes in normalized EBITDA and normalized EBITDA margin for Ovivo and the Pulp and Paper Group for the twelve-month periods ended on the indicated dates.

Ovivo

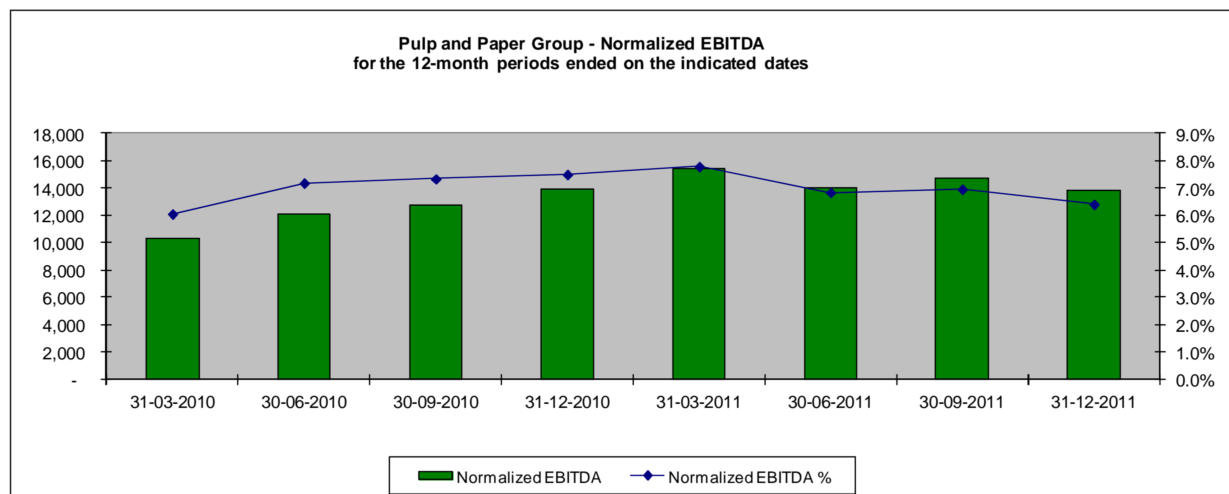
The twelve-month periods ended September 30, 2010 were adversely impacted by lower profit margins on contracts that were part of CWT's backlog when it was acquired at the end of November 2009 and the operating losses at the U.K. energy division in the second quarter of fiscal 2011.

For the twelve-month periods ended since December 31, 2010, the graph shows steady improvement in profitability until the second quarter of 2012, despite the unfavourable impact of the desalination segment since the fourth quarter of 2011.

The twelve-month period ended December 31, 2011 shows the impact of lower profitability in the current quarter compared with the same period of the previous fiscal year as explained above.



Pulp and Paper Group
For the Pulp and Paper Group, the graph highlights the impacts of the recovery in investments by paper manufacturers in fiscal 2011, solid performance in the second quarter of 2012 and lower profitability in the current quarter as explained previously.



Restructuring costs

For the third quarter of 2012 and the nine-month period ended December 31, 2011, the Corporation reported $0.4 million and $1.2 million, respectively, in restructuring costs. This consists primarily of reorganization costs of a subsidiary in the desalination segment whose negative performance had a significant impact on the Corporation's results for the first two quarters of 2012.

Amortization

	Quarters ended December 31		Change	Change at constant exchange rates	Nine-month periods ended December 31		Change	Change at constant exchange rates
(In thousands of $)	**2011**	2010	%	%	**2011**	2010	%	%
Total	**3,440**	4,548	(24.4)%	(24.6)%	**11,248**	13,524	(16.8)%	(18.5)%
Property, plant and equipment	**1,289**	1,595	(19.2)%		**4,019**	4,677	(14.1)%	
Intangible assets	**2,151**	2,953	(27.2)%	.	**7,229**	8,847	(18.3)%	

For the third quarter of 2012 and the nine-month period ended December 31, 2011, the amortization expense was lower, primarily because intangible assets associated with the CWT backlog was fully amortized during the first quarter of fiscal 2012.

Net financial expenses (including fees on credit facilities renewal)

	Quarters ended December 31		Change	Nine-month periods ended December 31		Change
(In thousands of $)	**2011**	2010	%	**2011**	2010	%
Total	**3,571**	1,651	116.3%	**7,825**	5,599	39.8%
Interest on long-term debt	**1,886**	1,485	27.0%	**5,295**	4,447	19.1%
Fees on credit facilities renewal	**1,100**	-	n/a	**1,100**	-	n/a
Interest income	**(91)**	(193)	(52.8)%	**(239)**	(527)	(54.6)%
Other	**676**	359	88.3%	**1,669**	1,679	(0.6)%

Net financial expenses for the three-month and nine-month periods ended December 31, 2011 increased over the same periods of the previous fiscal year mainly as a result of fees incurred for the renewal of its credit facilities and the interest expense on long-term debt net of interest income, which is higher due to the level of net debt required to support investments in working capital.

Foreign exchange loss (gain) and derivative financial instruments

	Quarters ended December 31		Change	Nine-month periods ended December 31		Change
(In thousands of $)	**2011**	2010	$	**2011**	2010	$
Foreign exchange (gain) loss	**(740)**	(159)	(581)	**(3,471)**	584	(4,055)
Loss related to derivative financial instruments	**1,684**	896	788	**4,691**	703	3,988

The foreign exchange loss or gain results mainly from the translation effect of monetary items recognized in currencies other than the operating currencies of subsidiaries.

The foreign exchange gain in the third quarter of 2012, stemmed primarily from the appreciation of the Canadian dollar against the euro. In the same quarter of the previous fiscal year, the Canadian dollar's strengthening against the euro had also generated gains, but to a lesser extent. For the nine-month period ended December 31, 2011, the foreign exchange gain was mainly due to the weakening of the euro against the other main currencies of the Corporation. During the same period of the previous fiscal year, the U.S. dollar's depreciation against the Canadian dollar had the inverse impact.

The loss related to derivative financial instruments recorded during the third quarter of fiscal 2012 is attributable to an unfavourable mark-to-market remeasurement of the total return swap as well as realized and unrealized losses on foreign currency hedging contracts during the period.

In addition to the items mentioned above, the variance for the nine-month period ended December 31, 2011 was also caused by realized and unrealized losses on cross-currency interest rate swaps.

Income taxes

	Quarters ended December 31		Change	Nine-month periods ended December 31		Change
(In thousands of $, except percentages)	**2011**	2010	$	**2011**	2010	$
Net earnings (loss) before tax	**(1,437)**	3,733	(5,170)	**(3,222)**	(8,344)	5,122
Income tax (recovery) expense	**(4)**	90	(94)	**(1,949)**	(464)	(1,485)
Effective tax rate (%)	**0.3%**	2.4%		**60.5%**	5.6%	
Canadian statutory rate (%)	**26.9%**	30.7%		**26.9%**	30.7%	

For the nine-month period ended December 31, 2011, the difference between the effective tax rate and the Canadian statutory rate resulted primarily from the reversal of valuation allowances attributable to the corporate reorganization of certain subsidiaries. According to management, the reorganization of the holding structure of subsidiaries was near completion as at December 31, 2011 and if profitability improves in the coming quarters, the Corporation should be able to utilize a portion of future tax assets subject to valuation allowances in the past.

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

	Quarters ended December 31		Nine-month periods ended December 31	
	2011	2010	**2011**	2010
(In thousands of $)				
Net loss attributable to shareholders of GLV Inc.	**(1,570)**	(655)	**(1,302)**	(14,027)
Net earnings (loss) from continuing operations attributable to shareholders of GLV Inc.	**(1,570)**	3,453	**(1,302)**	(7,469)
Normalized net earnings (loss) from continuing operations attributable to shareholders of GLV Inc.	**(1,194)**	4,187	**(144)**	(6,735)
(In $ per share, basic and diluted)				
Net loss attributable to shareholders of GLV Inc.	**(0.04)**	(0.02)	**(0.03)**	(0.32)
Net earnings (loss) from continuing operations attributable to shareholders of GLV Inc.	**(0.04)**	0.07	**(0.03)**	(0.17)
Normalized net earnings (loss) from continuing operations attributable to shareholders of GLV Inc.	**(0.03)**	0.09	**(0.00)**	(0.15)
Weighted average number of participating shares outstanding *(in thousands)*	**44,092**	44,092	**44,092**	44,092

For the third quarter, the unfavourable variances in the net earnings (loss) from continuing operations attributable to shareholders of GLV Inc. compared with the previous fiscal year arise principally from the lower EBITDA for the Corporation as a whole and the higher net financial expenses, including the fees on the credit facilities renewal.

The nine-month period ended December 31, 2011 shows an improvement over the previous fiscal year, resulting primarily from higher EBITDA for the Corporation as a whole and a favourable foreign exchange impact, offset by an increase in the loss related to derivative financial instruments.

6. SUMMARY OF QUARTERLY PERFORMANCE

	Quarters ended							
	Fiscal 2012			Fiscal 2011				Fiscal 2010
(In thousands of $, except per share data)								
	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Revenues	**161,663**	173,916	150,421	168,235	185,966	161,293	148,328	141,874
EBITDA	**6,518**	6,536	4,017	8,921	10,669	(2,539)	3,936	934
Normalized EBITDA	**6,894**	7,318	4,017	7,449	11,580	(2,539)	3,936	2,112
Operating gain (loss)	**3,078**	3,447	(702)	3,615	6,121	(6,931)	(648)	(4,567)
Normalized operating gain (loss)	**3,454**	4,229	(702)	2,754	7,032	(6,931)	(648)	(3,389)
Net earnings (loss) attributable to shareholders of GLV Inc. :								
from continuing operations	**(1,570)**	4,359	(4,091)	(5,570)	3,453	(7,148)	(3,774)	(13,152)
per share (basic and diluted)	**(0.04)**	0.10	(0.09)	(0.13)	0.07	(0.16)	(0.08)	(0.34)
normalized from continuing operations	**(1,194)**	5,141	(4,091)	(6,503)	4,187	(7,148)	(3,774)	(12,209)
per share (basic and diluted)	**(0.03)**	0.11	(0.09)	(0.15)	0.09	(0.16)	(0.08)	(0.31)
from discontinued operations	**-**	-	-	(3,680)	(4,108)	(2,041)	(409)	(520)
per share (basic and diluted)	**-**	-	-	(0.08)	(0.09)	(0.05)	(0.01)	(0.01)
Total	**(1,570)**	4,359	(4,091)	(9,250)	(655)	(9,189)	(4,183)	(13,672)
per share (basic and diluted)	**(0.04)**	0.10	(0.09)	(0.21)	(0.02)	(0.21)	(0.09)	(0.35)
Net earnings (loss) attributable to non-controlling interests	**10**	(36)	18	316	(93)	(503)	(305)	-
Net earnings (loss)	**(1,560)**	4,323	(4,073)	(8,934)	(748)	(9,692)	(4,488)	(13,672)

The fiscal 2011 quarterly results have been restated according to the IFRS. The impact of IFRS and the reconciliation to the results presented in prior periods are disclosed in the note 20 to the unaudited interim condensed consolidated financial statements accompanying this MD&A.

The Corporation's quarterly results are influenced by economic conditions and are not necessarily comparable from one quarter to another. The following events had an important impact on the results:

- significant operational issues of a U.K. energy division which generated significant losses mainly in the second and fourth quarters of fiscal 2011 ;
- additional costs required to complete some desalination contracts issued from CWT on our last quarter of fiscal 2011 and our first two quarters of fiscal 2012; and
- challenging global economic conditions for some businesses in the third quarter of fiscal 2012.

7. FINANCIAL SITUATION AND CASH FLOWS

After deduction of net acquisitions of property, plant and equipment, cash flow generated in the third quarter of 2012 was $13.5 million ($0.31 per share, basic and diluted) compared with used cash flow of $6.6 million ($0.15 per share, basic and diluted) for the same quarter of 2011. For the nine-month period ended December 31, 2011, cash flow generated was $16.6 million ($0.38 per share basic and diluted) compared with used cash flows of $15.4 million ($0.35 per share, basic and diluted) for the corresponding period of last year.

	Quarters ended December 31		**Nine-month periods ended December 31**	
(In thousands of $, except per share data)	**2011**	2010	**2011**	2010
Cash flow generated from operations before changes in non-cash items	**2,450**	8,477	**7,697**	5,745
Net change in non-cash balances related to operations	**10,046**	(14,109)	**8,515**	(21,809)
Acquisition of property, plant and equipment, net of disposals	**969**	(953)	**367**	690
Generated (used) cash flow from continuing operations	**13,465**	(6,585)	**16,579**	(15,374)
per share (basic and diluted)	**0.31**	(0.15)	**0.38**	(0.35)

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

	Quarter ended December 31	Nine-month period ended December 31
(In thousands of $)	**2011**	**2011**
Trade and other receivables	**4,592**	**18,230**
Inventories	**(251)**	**(2,002)**
Contracts in progress	**(4,626)**	**(6,707)**
Prepaid expenses	**(588)**	**(610)**
Accounts payable and accrued liabilities, provisions and other liabilities	**5,020**	**(2,830)**
Deferred revenues	**6,353**	**2,727**
Income taxes receivables / payables	**(454)**	**(293)**
	10,046	**8,515**

The positive impact on cash flows of $10.0 million for the quarter ended December 31, 2011 resulting from the change in non-cash items related to operations is attributable to an increase in accounts payable and accrued liabilities, provisions and other liabilities stemming from different payment schedules, a decrease in trade and other receivables driven by better collection of receivables, and higher deferred revenues, net of contracts in progress, which vary according to project status.

For the nine-month period, the positive impact on cash flows of $8.5 million stems from the same factors as for the quarter ended December 31, 2011, except for sharply higher collection of receivables and a decrease in accounts payable, accrued liabilities and provisions and other liabilities.

If the decline in the Corporation's volume of business in the current quarter extended into the coming quarters, the working capital requirement would very likely decrease, which would have a positive impact on cash flows and reduce the level of net indebtedness, since long-term debt is used almost exclusively to finance working capital.

The net working capital position stood at $128.8 million as at December 31, 2011, representing a ratio of 1.56 as at that date, compared with $116.7 million and a ratio of 1.52 as at March 31, 2011. The Corporation's total assets amounted to $577.5 million as at December 31, 2011, compared with $572.3 million as at March 31, 2011, an increase attributable mainly to contracts in progress and cash and cash equivalents, offset partially by lower accounts receivable. Generally, management seeks to maintain its working capital ratio at approximately 1.50, which represents an adequate level given the Corporation's business model, by ensuring that a reasonable amount of cash is used to support operations. The Corporation continues to focus on optimizing current trade accounts receivable management in order to maximize the resulting cash flows and thereby reduce financial expenses.

Note that changes in exchange rates for the third quarter of 2012 and the nine-month period ended December 31, 2011 generated negative variances in the remeasurement of cash items and cash equivalents totalling $2.1 million and $4.2 million, respectively.

The net effect of transactions relating to cash flows used in the third quarter of 2012 and the nine-month period ended December 31, 2011 was an increase in cash and cash equivalents of $15.0 million and $23.4 million, respectively.

Additional comments on financial position

	December 31	March 31
(In thousands of $, except ratios)	**2011**	2011
Long-term debt	**83,298**	72,148
Cash and cash equivalents	**(37,897)**	(14,460)
Total net debt	**45,401**	57,688
Equity	**241,246**	247,746
Invested capital	**286,647**	305,434
Total net debt to invested capital ratio	**15.8%**	18.9%

As at December 31, 2011, the Corporation's total debt amounted to $83.3 million compared with $72.1 million as at March 31, 2011. Net of cash and cash equivalents, GLV's total net debt stood at $45.4 million for a total net debt to invested capital ratio of 15.8%, compared with total net debt of $57.7 million and an 18.9% ratio as at March 31, 2011.

Although certain borrowing amounts are payable within the next twelve months, they are presented under long-term debt since the Corporation uses available liquidity under its main financing agreement to carry those amounts beyond the twelve-month period.

As at December 31, 2011, the cash position and bank credit facilities were sufficient to fund operations. Moreover, all the financial ratios met the parameters set out in the current credit agreements with banking institutions. Where there were special or non-recurring items, the terms of these credit agreements require an adjustment to normalized EBITDA for the purpose of establishing financial ratios. Accordingly, as at December 31, 2011, financial ratios were calculated using normalized EBITDA adjusted to exclude the operating results recorded during the twelve-month period ended December 31, 2011 of entities of which the shares or certain assets were sold or whose operations were discontinued.

On December 19, 2011, the Corporation renewed its main financing agreement covering the next five years for total of $200 million. This financing consisting of a $100 million revolving credit facility to meet the Corporation's day-to-day financing requirements, issue letters of credit and finance business acquisitions, and a second $100 million revolving credit facility to issue letters of credit guaranteed by EDC. The financing agreement also includes an uncommitted accordion feature providing access to an additional $50 million.

The Corporation also has two revolving credit facilities to support its operations in Austria. The first facility of €40 million ($53 million) is used to issue letters of credit and the second, amounting to €5 million ($7 million), is used to meet day-to-day financing requirements. As at December 31, 2011, €32 million ($43 million) had been drawn down under the credit facility to issue letters of credit. The Corporation guarantees repayment of these credit facilities in the event of payment default. The credit facility for issuing letters of credit matures on May 26, 2015 while the credit facility for day-to-day financing requirements is renewable annually in May.

Share capital information and Stock-Based Compensation

	Authorized	Number of shares issued and outstanding
Class A subordinate voting shares	Unlimited	41,906,694
Class B multiple voting shares	Unlimited	2,185,205
Preferred shares	Unlimited	-
		44,091,899

As at December 31, 2011, following the grant of 620,000 new stock options in the third quarter fiscal 2012 and of 644,876 for the nine-month period ended December 31, 2011, the outstanding stock options for Class A subordinate voting shares under the Corporation's stock option plan totalled 2,189,589 (1,606,176 as at March 31, 2011) of which 1,129,589 (847,176 as at March 31, 2011) were exercisable subject to time restrictions, notwithstanding attainment of target prices where such restrictions apply.

In November 2011, two new grants of stock appreciation rights were approved by the Board of Directors ("2011M SARs" and "2011E SARs") for a total of 845,000 new SARs. Furthermore, as per two existing stock appreciation rights plans linked to Class A subordinate voting shares ("2007 SARs" and "2009 SARs") and the new awards, 1,755,000 SARs were outstanding as at December 31, 2011 (940,000 as at March 31, 2011).

For further information, refer to note 11 to the interim condensed consolidated financial statements accompanying this MD&A.

8. BACKLOG AND OUTLOOK

	Quarter ended December 31	Quarter ended September 30	Change	Change at constant exchange rates	Quarter ended March 31	Change	Change at constant exchange rates
(In thousands of $)	**2011**	2011	%	%	2011	%	%
Total	**396,115**	430,016	**(7.9)%**	**(5.0)%**	372,201	**6.4%**	**6.6%**
Ovivo	**307,366**	338,421	**(9.2)%**	**(6.2)%**	304,715	**0.9%**	**1.3%**
Pulp & Paper	**74,546**	77,191	**(3.4)%**	**(1.8)%**	55,994	**33.1%**	**30.9%**
Other	**14,203**	14,404	**(1.4)%**	**3.8%**	11,492	**23.6%**	**28.2%**

Ovivo

As at December 31, 2011, Ovivo's backlog was down from the previous quarter, primarily in the desalination segment, the U.S. municipal segment and the petrochemical and pulp and paper divisions. The backlog is slightly higher than as at March 31, 2011 in the energy and renewable energy segments, offset by a decline in the U.S. municipal segment.

The outlook in the energy segment and in the European municipal segment, primarily in the U.K., remains favourable. While tendering activity remains good in most industrial market segments, delays in awarding contracts have lengthened. Drawing on its international reach, the Group prioritizes those segments and regions with the best growth and profitability prospects.

Since the beginning of fiscal 2012, the U.S. municipal segment has experienced more challenging economic conditions, which limit the financial resources available to local authorities for investment in new infrastructure projects, as reflected in the decrease in backlog since March 31, 2011 and the drop in third-quarter business level. Due to operational excellence in the U.S. municipal segment, profitability has remained reasonable despite a slower pace of business.

At the same time, the expertise of U.S. municipal segment resources is being redeployed to serve the industrial market. Note that developing the U.S. industrial market is a key growth strategy for Ovivo, as it has recorded sustained business growth since acquiring CWT, particularly in the energy market. Boasting an attractive outlook, the food and beverage processing segment is currently in development with the support of our Australian group specializing in that industry.

Providing services to microelectronics clients is currently a development target in the U.S. following the opening of service centres in Texas and New York State to pursue very appealing growth prospects.

For Ovivo as a whole, work continues on previously announced initiatives with a view to improving project management by sharing best practices, strengthening working capital management, negotiating better contract payment terms and implementing best practices for procurement and subcontracting.

While Ovivo management's profitability objective remains a 10% normalized EBITDA margin, attainment of the objective is being delayed by the impact of CWT contracts in a desalination segment subsidiary in the first two fiscal quarters coupled with a slowdown in order taking in certain operating segments.

Pulp and Paper Group

As at December 31, 2011, the Pulp and Paper Group's backlog declined slightly from the previous quarter, but was up sharply from March 31, 2011. While this was driven mainly by a marked rise in capital expenditure projects, developing aftermarket services remains a priority.

In light of current backlog levels and tendering activity, the outlook in the Pulp and Paper Group remains favourable for the upcoming quarters. Our international procurement and outsourcing strategy continues to be a priority to enhance profit margins.

On December 22, 2011, the Group acquired Finland's TamPulping Oy. Management expects to broaden its product offering in new equipment sales by leveraging the pulp recycling technology expertise of this business.

Other

With regard to operations at the Van Der Molen division, the Group Other is well on the way to achieving its positive profitability objectives for the current fiscal year. Management wishes to continue improving contract performance and contractual risk management, while developing a manufacturing outsourcing network.

For the manufacturing units, the goal of delivering positive results for all units is expected to be reached for fiscal 2012 as a whole. Lastly, head office costs should decrease compared with the previous fiscal year and remain unchanged from current quarter levels.

Overall outlook

Despite what is still a reasonable level of tendering activity, management has maintained conservative business forecasts for the next few quarters in response to global economic conditions. The Corporation remains focused on adjusting its cost structure as necessary to remain competitive.

Note that a more marked depreciation in the euro would unfavourably affect revenues when presented in Canadian dollars.

The Corporation's primary goal remains improving the financial performance and competitive positioning of its two core operating groups to expand their share of existing geographic markets. In addition, strategy implementation for the integrated product and service offering, particularly for Ovivo's industrial market, is making headway, as evidenced by the wins and initiatives in the U.S. energy, food and beverage processing, and microelectronics segments.

For fiscal 2012 as a whole, assuming exchange rates remain stable at current levels and in light of the outlook in the sectors serviced by each group, the Corporation is maintaining its forecast for consolidated revenues to range from $650 million to $675 million.

GLV remains focused on its objective of long-term value creation for its shareholders and reaching $1 billion in revenues. To do so, it will rely primarily on the positioning of Ovivo in an industry with solid organic growth potential resulting from increasing world demand for water, as well as growth potential from acquisitions due to the highly fragmented nature of the industry. Given its overall financial performance and flexibility to adjust to economic conditions, the Pulp and Paper Group continues to be a major component of our corporate strategy. Moreover, GLV enjoys a solid financial position and an adequate capital structure to support current operations and pursue development projects.

9. RISKS AND UNCERTAINTIES

Risks and uncertainties as well as risk management practices are discussed in section 11, "Risks and Uncertainties" of the MD&A for the fiscal year ended March 31, 2011.

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

10. ACCOUNTING POLICIES AND IFRS

Critical accounting policies and estimates

The Corporation prepares its consolidated financial statements in Canadian dollars and according to the IFRS. The significant accounting policies used by the Corporation are described in note 2 of the interim unaudited condensed consolidated financial statements as at June 30, 2011.

Certain accounting policies of the Corporation require management to exercise judgment in developing estimates and assumptions that affect the amounts reported in the consolidated financial statements. Actual results could differ from those estimates, even significantly. These estimates are reviewed periodically and any required adjustments are recorded in the consolidated financial statements of the period in which they are identified.

The most significant estimates concern revenue recognition, goodwill, long-lived assets, provisions, including those relating to warranties, doubtful accounts, restructuring costs and obsolete inventory, as well as the amortization periods for each of the main classes of amortizable assets and income taxes.

International Financial Reporting Standards (IFRS)

In February 2008, the Accounting Standards Board ("AcSB") confirmed that IFRS will replace Canadian GAAP for the fiscal year beginning from January 1st, 2011 for publicly accountable enterprises. The Corporation's interim unaudited condensed consolidated financial statements for three-month and nine-month periods ended December 31, 2011 are prepared according to IFRS. The first IFRS application date for the Corporation is April 1, 2010, considered as the transition date.

The note 20 to the interim unaudited condensed consolidated financial statements accompanying this MD&A provided substantive explanations on the impact of IFRS. This note also discloses the IFRS 1 choices, *First-Time Adoption of IFRS* and the reconciliation tables of the financial information published in previous periods according to Canadian GAAP specifically for the financial situation and the equity as at December 31, 2010, as well as statement of earnings (loss) and statement of comprehensive income (loss) for the three-month and nine-months periods ended December 31, 2010.

Information on the transition to IFRS is also available in the section 12 « Accounting policies and transition to IFRS » in the Corporate' Annual MD&A for the fiscal 2011.

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.*

IFRS 10, Consolidated Financial Statements
On May 12, 2011, the IASB released IFRS 10, *Consolidated Financial Statements*, which provides for a single consolidation model based on a qualitative definition of control, replacing the guidance set out in IAS 27, *Consolidated and Separate Financial Statements*, and SIC 12, *Consolidation – Special Purpose Entities*.

IFRS 11, Joint Arrangements
On May 12, 2011, the IASB released IFRS 11, *Joint Arrangements*, which supersedes IAS 31, *Interests in Joint Ventures*, and SIC 13, *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. This standard prohibits consolidating joint ventures using the proportionate consolidation method and eliminates the distinction between jointly controlled assets and jointly controlled operations.

IFRS 12, Disclosure of Interests in Other Entities
On May 12, 2011, the IASB released IFRS 12, *Disclosure of Interests in Other Entities*, which contains all of the disclosure requirements for interests in other entities, including subsidiaries, associates, joint ventures and structured entities. Although some of these disclosure requirements were already set out in current standards, some are new.

IFRS 13, Fair Value Measurement
On May 12, 2011, the IASB released IFRS 13, *Fair Value Measurement*, which provides a single definition of fair value, which eliminates inconsistencies between other definitions set out in various existing standards (financial instruments, property, plant and equipment, investment properties, etc.). In addition, the standard carries forward fair value disclosure requirements for financial instruments and extends their scope to all items measured at fair value.

IAS 19, *Employee Benefits*
The amendments to IAS 19 affect, among other things, the recognition of defined benefit expense and the presentation of the revaluation component in other comprehensive income (loss), which eliminates the previously available option under IAS 19 to recognize changes in the accrued benefit obligation and the fair value of plan assets directly through the statement of earnings (loss). IAS 19 also introduces a net interest cost approach which replaces expected return on plan assets and interest expense related to the defined benefit obligation by a single net interest cost component computed by multiplying the net defined benefit asset or liability recognized by the discount rate used to determine the defined benefit obligation. In addition, total past service cost will now be recognized through earnings (loss) when the plan is amended with deferral to future service periods no longer permitted.

IAS 28, *Investments in Associates and joint ventures*
The amendments to IAS 28 prohibit proportionate consolidation of interests in associates and joint ventures. Use of the equity method will be mandatory. Under this method, the investment in an associate or a joint venture is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of net earnings (loss) of the investee after the date of acquisition. These amendments will not have any impact on the Corporation's financial statements given that the interests in joint ventures are already recognized using the equity method.

GLV is currently assessing the impact of adopting these new standards (except for IAS 28), which are effective for fiscal years beginning on or after January 1, 2013.

11. RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

The financial information presented in this MD&A, including tabular amounts, is prepared in accordance with Internal Financial Reporting Standards ("IFRS"). The information contained in the MD&A also includes some figures that are non-IFRS financial measures, specifically:

- **EBITDA:** net earnings (loss) before amortization, net financial expenses (including fees on credit facilities renewal), foreign exchange loss (gain), loss (gain) related to derivative financial instruments, income taxes and share of loss (gain) in joint ventures;
- **Normalized EBITDA:** EBITDA before items recorded outside the normal course of business, including restructuring costs;
- **Normalized net earnings (loss) :** net earnings (loss) before items recorded outside the normal course of business, including restructuring costs;
- **Generated cash flow (used cash flow):** cash flows from operating activities, less additions to property, plant and equipment (net of disposals);
- **Generated cash flow (used cash flow) per share:** generated (used) cash flow 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 entities. 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 growth measure. The organic growth 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 reconcile non-IFRS financial measures from the Corporation consolidated statement of earnings (loss).

	Quarter ended December 31, 2011				**Nine-month period ended December 31, 2011**			
(in thousands of $)	Ovivo	Pulp and Paper	Other	**Consolidated Results**	Ovivo	Pulp and Paper	Other	**Consolidated Results**
As presented on the financial statements:								
Operating income				3,078				5,823
Amortization				3,440				11,248
Net earnings (loss) before amortization, net financial expenses (including fees on credit facilities renewal), foreign exchange loss (gain), loss related to derivative financial instruments, income taxes and share of loss in joint ventures	5,763	2,491	(1,736)	6,518	13,045	8,944	(4,918)	17,071
Normalized Items	376	-	-	376	1,158	-	-	1,158
Normalized EBITDA	6,139	2,491	(1,736)	6,894	14,203	8,944	(4,918)	18,229

	Quarter ended December 31, 2010				**Nine-month period ended December 31, 2010**			
(in thousands of $)	Ovivo	Pulp and Paper	Other	**Consolidated Results**	Ovivo	Pulp and Paper	Other	**Consolidated Results**
As presented on the financial statements:								
Operating income				6,121				(1,458)
Amortization				4,548				13,524
Net earnings (loss) before amortization, net financial expenses, foreign exchange loss (gain), loss related to derivative financial instruments, income taxes and share of loss in joint ventures	9,657	3,454	(2,442)	10,669	12,110	10,564	(10,608)	12,066
Normalized Items	274	-	637	911	274	-	637	911
Normalized EBITDA	9,931	3,454	(1,805)	11,580	12,384	10,564	(9,971)	12,977

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 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, 2011, 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)
Marc Barbeau, CA

Executive Vice-President and Chief Financial Officer

February 9, 2012