Management's Discussion and Analysis

Third quarter of Fiscal 2013

Three-month and nine-month periods ended December 31, 2012

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February 14, 2013

Unless otherwise indicated, all amounts are in Canadian dollars.

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

This interim Management's Discussion & Analysis ("MD&A") was prepared under the responsibility of GLV Inc.'s management and approved by its Board of Directors as of February 14, 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 nine-month periods ended December 31, 2012 and 2011, as well as with the audited consolidated financial statements and accompanying notes for the fiscal year ended March 31, 2012. The interim condensed consolidated financial statements for the three-month and nine-month periods ended December 31, 2012 and 2011 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") unless otherwise indicated.

In this 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 ending March 31, 2013 and the fiscal years ended March 31 of prior years are sometimes designated by the terms "fiscal 2013," "fiscal 2012" and so forth. The "third quarter of fiscal 2013" and the "third quarter of fiscal 2012" refer to the three-month periods ended December 31, 2012 and 2011, respectively. Unless otherwise indicated, the comparative analysis of operating results and cash flows for the three-month and nine-month periods ended December 31, 2012 is performed in relation to the equivalent periods ended December 31, 2011, whereas the comparative analysis of the financial situation as at December 31, 2012 is performed in relation to data recorded as at March 31, 2012.

This interim MD&A also uses non-IFRS financial measures. Please refer to 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 7, 2012, the MD&A for the year ended March 31, 2012 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 interim 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.

Management of GLV would like to point out that forward-looking statements involve a number of uncertainties and known and unknown risks such that GLV's actual and future results could differ considerably 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, regulatory and legal risk, foreign exchange rate and foreign exchange contract risk, credit risk, asset impairment, market and liquidity risks, competition, supplier-related risks, availability of 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 interim 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 during fiscal 2013 and may not be appropriate for other purposes.

Additional information about the risk factors to which GLV is exposed is provided in Section 10, "Risks and uncertainties" of the MD&A for the fiscal year ended March 31, 2012.

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 over 20 countries and had approximately 2,100 employees as at December 31, 2012.

- 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 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. Ovivo's offering also includes rebuilding, upgrading and optimization services for existing equipment, the sale of spare parts as well as maintenance services.

- The **Pulp and Paper Group** designs and globally markets, under the GL&V brand, 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 spare 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:

    - Two manufacturing units that specialize in the manufacture of custom-made parts from specifications provided by Ovivo, the Pulp and Paper Group or external customers; and
    - The Van Der Molen division that specializes in processes for the design 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.

Strategic approach

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

- ***Development of growing markets***
  The Corporation operates worldwide. It strives to expand its presence in its traditional markets of North America and Europe, while continuing business development efforts in areas of the world where water processing and pulp and paper industries boast growth potential, such as Southeast Asia, the Middle East, China, India and Russia. GLV leverages its in-house expertise to develop and offer its clients superior technologies and unmatched know-how. Meanwhile, Ovivo focuses on developing energy, and electronics and metals markets in the industrial segment as well as the municipal market in North America, Europe, the Middle East and Africa.

- ***Development of the parts and services market (previously known as aftermarket services)***
  The parts and services market, including the sale of spare parts, optimization and maintenance of equipment, and the operation of water treatment facilities, 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 regions with growing demand for this type of services. The parts and services offering is also an integral part of Ovivo's business development strategy across all of its segments.

- ***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 is considered a cost advantage as it gives the Corporation sufficient flexibility 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 technologies complementary to its current technologies, and to expand its commercial presence in regions with growth potential.

4. HIGHLIGHTS

For the third quarter of fiscal 2013, the Corporation reported a net loss of $1.4 million or $0.03 per share, basic and diluted, compared with a net loss of $1.6 million or $0.04 per share, basic and diluted, for the corresponding period of the previous fiscal year. Excluding the net loss from discontinued operations discussed below, the net earnings from continuing operations attributable to shareholders of GLV Inc. is $3.0 million or $0.07 per share, basic and diluted, compared with a net loss of $1.7 million or $0.04 per share, basic and diluted, for the corresponding quarter of the previous fiscal year. This improved overall profitability stems primarily from the favourable change in fair value of derivative financial instruments, lower net financial expenses, and foreign exchange gains, partly offset by the decline in the volume of business during the quarter compared with the same quarter of the previous fiscal year.

Ovivo's plan to refocus announced last August continues to move forward as planned. In line with Ovivo's new business strategy, during the quarter, the Corporation decided to discontinue all operations in the waste to energy segment, including the sale of its joint venture operating in this market, which was completed on December 31, 2012. With respect to this segment, losses of $4.5 million and $6.5 million, respectively, were reported under discontinued operations for the three-month and nine-month periods ended December 31, 2012.

Although operating results are lower for both the Pulp and Paper Group and Ovivo compared with the previous fiscal year, the markets targeted by Ovivo's strategy to refocus its business continue to show promising signs. The municipal market in Europe, Middle East and Africa generated better results than the same quarter of the previous fiscal year by continuing to perform well in contracts execution and follow-up. Results for other targeted markets were slightly below levels for the same period of the previous fiscal year due to the lower backlog during the second half of fiscal 2012.

The workforce reduction plan is on target and should be nearly completed by the middle of the next fiscal year. Also, as announced in the previous MD&A, Ovivo sold one of its entities located in Finland during the third quarter, recognizing an additionnal loss of $0.6 million.

The Pulp and Paper Group's operating results were lower than for the same quarter of the previous fiscal year, mainly due to the lower backlog during the first half of the current fiscal year caused by the economic slowdown in Europe and Asia.

For the nine-month period ended December 31, 2012, the Corporation reported a net loss of $13.2 million or $0.30 per share, basic and diluted, compared with a net loss of $1.3 million or $0.03 per share, basic and diluted, for the corresponding period of the previous fiscal year. The Corporation reported a net loss from continuing operations attributable to shareholders of GLV Inc. of $6.7 million or $0.15 per share, basic and diluted, compared with $2.0 million or $0.05 per share, basic and diluted, for the corresponding period of the previous fiscal year. Excluding the impact of discontinued operations, the changes stemmed primarily from the higher income tax expense and the lower operating income mainly following restructuring costs of $2.9 million, and an impairment charge of $0.7 million, partly offset by the decrease in net financial expenses.

Backlog and outlook

As at December 31, 2012, the backlog, excluding that of discontinued operations, amounted to $334.2 million, which is comparable to the level at the end of the previous quarter. The increase in the Pulp and Paper Group's backlog, mainly in the pulp segment in North America and Europe, was offset by the lower backlog at Ovivo. This decrease resulted mainly from the cyclical slowdown for order-taking by Ovivo in the electronics and metals market and in the municipal segment in Europe, Middle East and Africa, partly offset by an increase in the energy segment. Meanwhile, the order backlog in Ovivo's parts and services market showed an increase for the third consecutive quarter, following implementation of the group's refocusing strategy aimed at increasing this market which generates recurring revenues.

For fiscal 2013 as a whole, assuming exchange rates remain stable at current levels and in light of the outlook in the segments serviced by each group, and in particular the refocusing of Ovivo's operations, the Corporation expects consolidated revenues to total approximately $600 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)	**2012**	2011	**2012**	2011
Revenues	**145,529**	157,781	**432,849**	474,840
Ovivo	**88,613**	91,677	**258,456**	282,252
Pulp and Paper	**46,591**	55,966	**149,366**	161,853
Other	**10,325**	10,138	**25,027**	30,735
Adjusted EBITDA	**3,295**	6,227	**13,496**	16,320
Ovivo	**3,750**	5,472	**11,701**	12,294
Pulp and Paper	**1,491**	2,491	**8,612**	8,944
Other	**(1,946)**	(1,736)	**(6,817)**	(4,918)
Normalized adjusted EBITDA	**4,614**	6,603	**16,386**	17,478
Ovivo	**4,945**	5,848	**14,144**	13,452
Pulp and Paper	**1,615**	2,491	**8,736**	8,944
Other	**(1,946)**	(1,736)	**(6,494)**	(4,918)
Normalized adjusted EBITDA margin (as % of revenues)	**3.2%**	4.2%	**3.8%**	3.7%
Ovivo	**5.6%**	6.4%	**5.5%**	4.8%
Pulp and Paper	**3.5%**	4.5%	**5.8%**	5.5%
Other	**n/a**	n/a	**n/a**	n/a
Net earnings (loss) attributable to shareholders of GLV Inc.:				
from continuing operations	**3,043**	(1,734)	**(6,692)**	(2,016)
from discontinued operations	**(4,481)**	164	**(6,540)**	714
Net earnings (loss):				
attributable to shareholders of GLV Inc.	**(1,438)**	(1,570)	**(13,232)**	(1,302)
attributable to non-controlling interests	**(1)**	10	**(12)**	(8)
Total	**(1,439)**	(1,560)	**(13,244)**	(1,310)
Cash flow generated from (used in) continuing operations	**10,236**	13,174	**(5,701)**	15,828
Net earnings (loss) per share (basic and diluted)				
Net earnings (loss) from continuing operations	**0.07**	(0.04)	**(0.15)**	(0.05)
Net earnings (loss) from discontinued operations	**(0.10)**	–	**(0.15)**	0.02
Net loss	**(0.03)**	(0.04)	**(0.30)**	(0.03)
Cash flow per share (basic and diluted) generated from (used in) continuing operations	**0.23**	0.30	**(0.13)**	0.36

Financial ratios	**December 31, 2012**	March 31, 2012
Total net debt to invested capital ratio	**25.2%**	19.6%
Working capital ratio (excluding the current portion of long-term debt)	**1.55**	1.57

Revenues

	Quarters ended December 31		Change	Organic change at constant exchange rates (1)	Nine-month periods ended December 31		Change	Organic change at constant exchange rates (1)
(in thousands of $)	**2012**	2011	%	%	**2012**	2011	%	%
TOTAL	**145,529**	157,781	(7.8)%	(0.7)%	**432,849**	474,840	(8.8)%	(4.7)%
Ovivo	**88,613**	91,677	(3.3)%	4.2%	**258,456**	282,252	(8.4)%	(4.8)%
New equipment	**72,595**	77,553	(6.4)%		**212,043**	239,575	(11.5)%	
Sale of parts and provision of services	**16,018**	14,124	13.4%		**46,413**	42,677	8.8%	
Pulp and Paper	**46,591**	55,966	(16.8)%	(14.4)%	**149,366**	161,853	(7.7)%	(6.9)%
New equipment	**15,021**	23,154	(35.1)%		**51,955**	66,693	(22.1)%	
Sale of parts and provision of services	**31,570**	32,812	(3.8)%		**97,411**	95,160	2.4%	
Other	**10,325**	10,138	1.8%	43.3%	**25,027**	30,735	(18.6)%	11.6%

(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**	**Pulp and Paper**	**Other**	**Total**
Quarter ended December 31, 2011	**91,677**	**55,966**	**10,138**	**157,781**
Foreign exchange impact	(3,220)	(1,322)	(464)	**(5,006)**
Disposals	(3,514)	-	(2,611)	**(6,125)**
Organic change	3,670	(8,053)	3,262	**(1,121)**
Total change	**(3,064)**	**(9,375)**	**187**	**(12,252)**
Quarter ended December 31, 2012	**88,613**	**46,591**	**10,325**	**145,529**

	Nine-month period			
(in thousands of $)	**Ovivo**	**Pulp and Paper**	**Other**	**Total**
Nine-month period ended December 31, 2011	**282,252**	**161,853**	**30,735**	**474,840**
Foreign exchange impact	(7,032)	(1,349)	(1,354)	**(9,735)**
Disposals	(3,514)	-	(7,094)	**(10,608)**
Organic change	(13,250)	(11,138)	2,740	**(21,648)**
Total change	**(23,796)**	**(12,487)**	**(5,708)**	**(41,991)**
Nine-month period ended December 31, 2012	**258,456**	**149,366**	**25,027**	**432,849**

Revenues for the third quarter of 2013 declined $12.3 million from the same period of the last fiscal year, particularly new equipment sales for the Pulp and Paper Group and to a lesser extent for Ovivo. Sales of parts and services rose at Ovivo but fell slightly at the Pulp and Paper Group. The change in average quarterly exchange rates over the same period of fiscal 2012, particularly for the euro, US dollar, Brazilian real and the South African rand against the Canadian dollar had an unfavourable impact of $5.0 million on third quarter revenues in 2013 compared with the corresponding quarter in 2012. The disposals of subsidiaries in the fourth quarter of 2012 at the Other group and in the beginning of the third quarter of 2013 at Ovivo had an aggregate unfavourable impact of $6.1 million. As a result, revenues are showing an overall adverse organic change of $1.1 million.

Revenues for the nine-month period ended December 31, 2012 fell $42.0 million from the same period last year as revenues decreased by $23.8 million, $12.5 million and $5.7 million, respectively, at Ovivo, Pulp and Paper Group and Other. For both core operating groups, Ovivo and the Pulp and Paper Group, new equipment sales were lower but sales of parts and provision of services were higher. Unfavourable changes in average exchange rates, particularly the weakening of the euro, the Brazilian real, the Swedish krona and the South African rand against the Canadian dollar had an unfavourable impact of $9.7 million. The disposals of subsidiaries in the fourth quarter of 2012 for the Other group and in the beginning of the third quarter of 2013 for Ovivo had an aggregate unfavourable impact of $10.6 million. As a result, revenues are showing an overall adverse organic change of $21.6 million.

Ovivo

Ovivo's revenues for the third quarter of 2013 declined $3.1 million owing to the combined effect of the disposal of a subsidiary at the beginning of the third quarter of 2013 and currency fluctuations against the Canadian dollar as discussed previously, partly offset by organic growth of 4.2% over the same quarter of 2012. Organic revenue growth was driven primarily by the energy market, partly offset by lower revenues at a subsidiary in Asia and to a lesser extent in the municipal market in North America. Ovivo reported higher sales of parts and services for the quarter ended December 31, 2012 compared with the quarter ended December 31, 2011.

Revenues for the nine-month period ended December 31, 2012 declined $23.8 million with negative organic growth accounting for $13.2 million. This organic decline stemmed primarily from a decrease in the electronics and metals market, the completion of desalination projects (with negative margins in 2012) originating from the Christ Water Technology (CWT) acquisition, the municipal segment in North America and a subsidiary in Asia. The electronics and metals segment's performance was all the more weaker given the greater operating volume in the first half of 2012 and a record low backlog in the second half of fiscal 2012. Lower revenues for the municipal segment in North America stemmed from the decreased backlog in the second half of 2012 caused by more difficult economic conditions during the period. The decline in revenues was partly offset by growth in the municipal market in Europe, the Middle East and Africa, and significant energy segment growth. Also, an unfavourable impact of $7.0 million resulted from fluctuations in average exchange rates of currencies against the Canadian dollar as discussed previously and revenues were dampened by the disposal of a subsidiary at Ovivo at the beginning of the third quarter of 2013.

Pulp and Paper Group

The Pulp and Paper Group reported lower new equipment sales for the third quarter and the nine-month period ended December 31, 2012 compared with the same period of the previous fiscal year, due to the decrease in its backlog in the first quarter of 2013 following a slowdown in all markets during the quarter, and mainly in Europe and Asia for the nine-month period. Revenues from the sale of parts and provision of services were down for the third quarter of 2013 and up for the nine-month period ended December 31, 2012, bolstered by solid demand in North America. Currency fluctuations had an unfavourable impact of $1.3 million on group revenues for both the three-month and nine-month periods ended December 31, 2012.

Other

The Other group's revenues for the three-month period ended December 31, 2012 were comparable to the level in the same period of the previous fiscal year. Strong operating volumes at the Van der Molen division and the manufacturing unit in Europe generated organic growth of $3.3 million, offset by lower revenues following the sale of a manufacturing unit in the fourth quarter of 2012 and the $0.5 million unfavourable foreign exchange impact.

The Other group reported lower revenues for the nine-month period ended December 31, 2012 compared with the corresponding period of the previous year, owing primarily to the sale of a manufacturing unit in the fourth quarter of 2012, partly offset by organic growth in the manufacturing segment. Currency fluctuations had an unfavourable impact of $1.4 million on revenues.

Revenues by geographic segment based on destination address

	Total		Ovivo		Pulp and Paper	
	Twelve-month periods ended December 31					
	2012	2011	**2012**	2011	**2012**	2011
	(as % of consolidated revenues)		*(as % of group revenues)*			
North America	**42.1%**	39.9%	**28.3%**	33.0%	**67.3%**	59.0%
Europe and Russia	**28.3%**	26.2%	**34.4%**	25.4%	**16.6%**	20.6%
Asia and Asia-Pacific	**15.2%**	19.4%	**19.4%**	24.1%	**9.1%**	12.7%
Middle-East and Africa	**11.2%**	10.6%	**16.6%**	15.0%	**0.8%**	1.2%
Latin America	**3.0%**	3.8%	**1.4%**	2.5%	**6.2%**	6.5%

The geographic breakdown of revenues by destination address for the most recent twelve-month period compared with the previous period shows an increase in the proportion of revenues in North America for the Pulp and Paper Group and a decrease for Ovivo. Both core operating groups reported a downward trend in Asia and Asia-Pacific. In Europe and Russia, revenues are down for the Pulp and Paper Group but up for Ovivo. Ovivo operates primarily in North America, Europe and Russia, while the Pulp and Paper Group's main market is North America.

Gross margin (excluding amortization)

	Quarters ended December 31		Change	Organic change at constant exchange rates	Nine-month periods ended December 31		Change	Organic change at constant exchange rates
	2012	2011	%	%	**2012**	2011	%	%
In thousands of $	**31,617**	36,160	(12.6)%	(7.0)%	**99,301**	105,368	(5.8)%	(2.6)%
As % of revenues	**21.7%**	22.9%			**22.9%**	22.2%		

The gross margin in dollars declined for both the three-month and nine-month periods ended December 31, 2012 at the two core operating groups, namely Ovivo and the Pulp and Paper Group, compared with the corresponding periods of the previous fiscal year, stemming from the decline in revenues discussed above and the disposals of subsidiaries in the fourth quarter of 2012 for the Other group and in the beginning of the third quarter of fiscal 2013 for Ovivo. The lower margin is also attributable to additional costs on some contracts, particularly in Asia and Asia-Pacific for Ovivo and in Europe for the Pulp and Paper Group.

The gross margin as a percentage of revenues improved for the nine-month period following the near-completion of CWT projects in Ovivo's desalination segment that had generated a significantly negative margin for the first half of 2012, partly offset by additional costs for completing several contracts and the slowdown in operations at a subsidiary in Asia and Asia-Pacific.

Selling and administrative expenses (excluding amortization)

	Quarters ended December 31		Change	Change at constant exchange rates	Nine-month periods ended December 31		Change	Change at constant exchange rates
	2012	2011	%	%	**2012**	2011	%	%
In thousands of $	**27,003**	29,557	(8.6)%	(4.0)%	**82,915**	87,890	(5.7)%	(2.7)%
As % of revenues	**18.6%**	18.7%			**19.2%**	18.5%		

Selling and administrative expenses, in dollars, declined for the three-month and nine-month periods ended December 31, 2012 compared with the same periods of fiscal 2012 following cost cutting measures implemented at the end of the previous fiscal year and the beginning of the current fiscal year.

As for selling and administrative expenses as a percentage of revenues, the lower revenues were offset by a comparable decrease in selling and administrative expenses during the third quarter. Selling and administrative expenses as a percentage of revenues rose for the nine-month period ended December 31, 2012 following a greater decrease in revenues over the same period of the previous fiscal year.

Adjusted EBITDA and normalized adjusted EBITDA

	Quarters ended December 31		Change	Change at constant exchange rates	Nine-month periods ended December 31		Change	Change at constant exchange rates
	2012	2011	%	%	**2012**	2011	%	%
(in thousands of $)								
Adjusted EBITDA	**3,295**	6,227	(47.1)%	(38.3)%	**13,496**	16,320	(17.3)%	(13.8)%
Ovivo	**3,750**	5,472	(31.5)%	(24.6)%	**11,701**	12,294	(4.8)%	(2.5)%
Pulp and Paper	**1,491**	2,491	(40.1)%	(38.6)%	**8,612**	8,944	(3.7)%	(6.3)%
Other	**(1,946)**	(1,736)	(12.1)%	2.1%	**(6,817)**	(4,918)	(38.6)%	(23.3)%
Normalized items	**1,319**	376	n/a	n/a	**2,890**	1,158	n/a	n/a
Ovivo	**1,195**	376	n/a	n/a	**2,443**	1,158	n/a	n/a
Pulp and Paper	**124**	-	n/a	n/a	**124**	-	n/a	n/a
Other	**-**	-	n/a	n/a	**323**	-	n/a	n/a
Normalized adjusted EBITDA	**4,614**	6,603	(30.1)%	(20.9)%	**16,386**	17,478	(6.2)%	(2.5)%
Ovivo	**4,945**	5,848	(15.4)%	(8.8)%	**14,144**	13,452	5.1%	7.3%
Pulp and Paper	**1,615**	2,491	(35.2)%	(33.6)%	**8,736**	8,944	(2.3)%	(4.9)%
Other	**(1,946)**	(1,736)	(12.1)%	2.1%	**(6,494)**	(4,918)	(32.0)%	(17.5)%
(as % of revenues)								
Normalized adjusted EBITDA margin	**3.2%**	4.2%			**3.8%**	3.7%		
Ovivo	**5.6%**	6.4%			**5.5%**	4.8%		
Pulp and Paper	**3.5%**	4.5%			**5.8%**	5.5%		
Other	**n/a**	n/a			**n/a**	n/a		

Ovivo

Ovivo reported a lower adjusted normalized EBITDA for the third quarter of 2013 and a slight increase for the nine-month period ended December 31, 2012 compared with the corresponding periods of the previous fiscal year. The decline in the current quarter was caused by lower operating volume at a subsidiary in Asia and Asia-Pacific and for the municipal segment in North America. However, adjusted normalized EBITDA in the municipal market improved in Europe, Middle East and Africa. For the nine-month period, declines were recorded partly in the electronics and metals market following its reduced backlog during the second half of the previous fiscal year. Also, additional costs were required to complete some contracts for a subsidiary in Asia an Asia-Pacific. This decrease was partly offset by the favourable impact of the near-completion of desalination contracts with negative margins resulting from the acquisition of CWT that had generated a negative normalized adjusted EBITDA in the first half of fiscal 2012.

Pulp and Paper Group

Driven by a solid backlog as at March 31, 2012 and efficient performance of contracts in progress during the first quarter of 2013, the Pulp and Paper Group reported considerably higher normalized adjusted EBITDA compared with the first quarter of the current fiscal year. Normalized adjusted EBITDA decreased for the third quarter of fiscal 2013 and to a lesser extent for the nine-month period ended December 31, 2012 following a decline in business volume and operating results for the third quarter caused by the lower backlog for new equipment as of the second quarter of 2013 and additional costs on a few contracts in Europe.

Other

Normalized adjusted EBITDA declined in the third quarter of 2013 as a result of the unfavourable impact of a sale of a manufacturing subsidiary in the fourth quarter of 2012 mitigated by a higher normalized adjusted EBITDA at the Van der Molen division.

The Other group's normalized adjusted EBITDA for the nine-month period ended December 31, 2012 was lower than for the same period of 2012 stemming primarily from the recognition of a gain on the sale of a building in connection with the closure of a Van Der Molen unit during the first quarter of 2012. The manufacturing units are maintaining their performance. Last, head office costs are comparable with the level for the previous fiscal year.

Changes in normalized adjusted EBITDA and normalized adjusted EBITDA margin

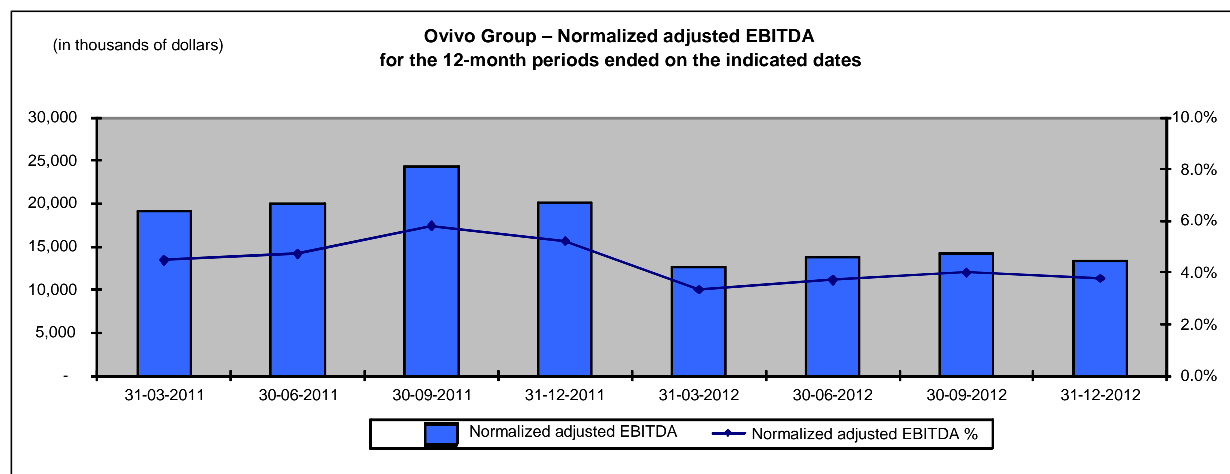
The graphs below show the changes in normalized adjusted EBITDA and normalized adjusted EBITDA margin for Ovivo and the Pulp and Paper Group for the twelve-month periods ended on the indicated dates.

Ovivo

For the twelve-month periods up to the second quarter of 2012, the graph shows some improvement in profitability, despite the unfavourable impact of the desalination segment in the fourth quarter of 2011 and particularly in the first quarter of 2012.

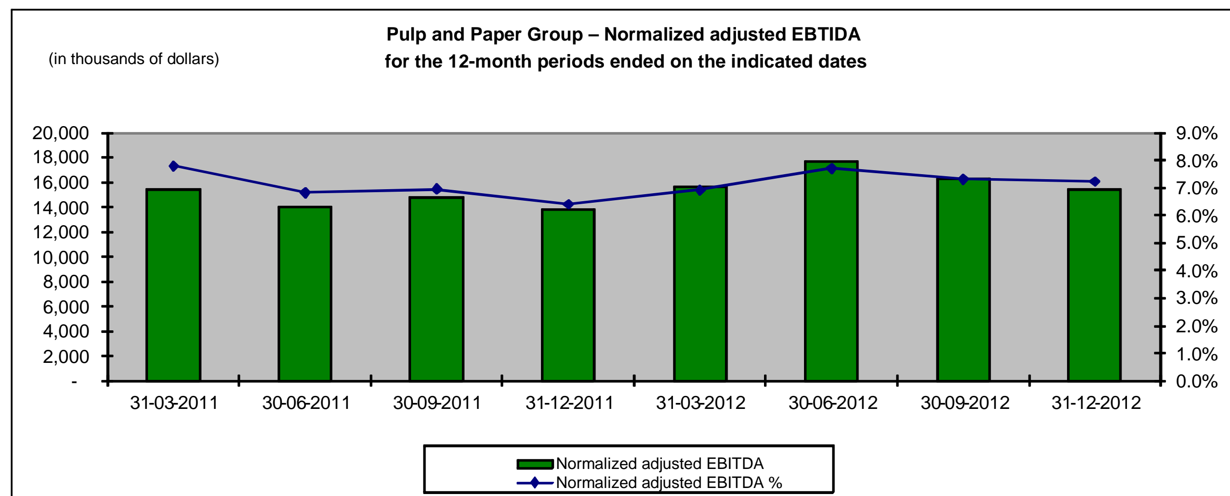
The lower profitability for the twelve-month periods ended December 31, 2011, March 31, 2012 and to a lesser extent for the period ended June 30, 2012 stems mainly from significantly negative results at a subsidiary in Asia and Asia-Pacific and the Canadian subsidiary operating in the municipal and industrial segment, which mostly impacted the fourth quarter of 2012. The electronics and metals market also slowed as its backlog was at a record low until the last quarter; the backlog has significantly improved 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. For the period ended September 30, 2012, the near-completion of contracts with negative margins in the desalination segment favourably impacted the group's normalized adjusted EBITDA. These projects resulting from the CWT acquisition generated a negative margin for the first half of fiscal 2012.



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, temporarily low profitability in the third quarter of 2012, with satisfactory results in the first two quarters and the fourth quarter of 2012, which were extended to the first quarter of 2013. Normalized adjusted EBITDA for the twelve-month periods ended September 30, 2012 and December 31, 2012 was dragged down by the slower pace of performance of contracts in progress in the second and third quarters of 2013. The North American market still has solid business potential while the markets in Europe and Asia have slowed down.



Restructuring costs and loss on disposal

Following changes to the Corporation's leadership team, particularly at Ovivo, announced in June 2012, Ovivo management has reviewed its business strategy to ensure a gradual improvement in profitability and long-term growth. This repositioning resulted in workforce reductions at a number of Ovivo subsidiaries and some subsidiaries at the Pulp and Paper Group and the Other group. The related restructuring costs for the third quarter of 2013 and the nine-month period ended December 31, 2012, mainly comprising severance benefits, totalled $0.2 million and $1.8 million, respectively.

On October 11, 2012, the Corporation sold its shares in a subsidiary of Ovivo in Finland, specialized in water treatment in the pulp and paper segment, which is not a market targeted by Ovivo's refocusing strategy. Excluding impairment of non-current assets held (see section on asset impairment below), the loss on disposal of this subsidiary recognized in the third quarter of 2013 amounted to $1.1 million, comprising net assets (assets less liabilities) of $0.8 million and transaction and other costs of $0.3 million.

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. These costs consisted primarily of reorganization costs of a subsidiary in the desalination segment whose negative performance had a significant impact on the Corporation's past results.

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 $)	**2012**	2011	%	%	**2012**	2011	%	%
Total	**3,056**	3,440	(11.2)%	(25.2)%	**9,416**	11,248	(16.3)%	(20.8)%
Property, plant and equipment	**1,341**	1,289	4.0%		**4,063**	4,019	1.1%	
Intangible assets	**1,715**	2,151	(20.3)%	.	**5,353**	7,229	(26.0)%	

At constant exchange rates, the amortization expense for the three-month and nine-month periods ended December 31, 2012 decreased owing mainly to the recognition of an impairment charge on intangible assets in the fourth quarter of the previous fiscal year, which reduced the expense for the current fiscal year. Also, CWT's backlog was fully amortized in the first quarter of the previous fiscal year, creating a favourable variance in 2013 for the nine-month period ended December 31, 2012.

Asset impairment

Following the decision to sell the shares in an Ovivo subsidiary in Finland, an impairment charge of $1.1 million was recognized in the second quarter of 2013 to report the subsidiary's net carrying amount at the lower of carrying amount and recoverable amount. This amount was revised to $0.7 million for the nine-month period ended December 31, 2012. See section on restructuring costs and loss on disposal for the loss resulting from the disposal of this subsidiary.

Net financial expenses

	Quarters ended December 31		Change	Nine-month periods ended December 31		Change
(in thousands of $)	**2012**	2011	%	**2012**	2011	%
Total	**1,971**	3,571	(44.8)%	**6,005**	7,825	(23.3)%
Interest on long-term debt	**1,437**	1,886	(23.8)%	**4,362**	5,295	(17.6)%
Credit facility renewal fees	**-**	1,100	n/a	**-**	1,100	n/a
Interest income	**(61)**	(91)	(33.0)%	**(322)**	(239)	34.7%
Other	**595**	676	(12.0)%	**1,965**	1,669	17.7%

Net financial expenses for the three-month and nine-month periods ended December 31, 2012 decreased over the same periods of the previous fiscal year mainly because fees for renewing the Corporation's main financing agreement were recognized in the third quarter of 2012. Also, the interest expense on long-term debt net of interest income was lower due to better borrowing conditions following credit facility renewal at the end of the third quarter of 2012. To a lesser extent, the repayment or cancellation of credit facilities at higher interest rates and the impact of the weakening of the euro against the Canadian dollar on the average exchange rate for the three-month and nine-month periods ended December 31, 2012 compared with the same periods ended December 31, 2011 also contributed to lower interest on long-term debt.

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

	Quarters ended December 31		Change	Nine-month periods ended December 31		Change
(in thousands of $)	**2012**	2011	$	**2012**	2011	$
Foreign exchange loss (gain)	**(1,782)**	(740)	(1,042)	**906**	(3,471)	4,377
Loss (gain) related to derivative financial instruments	**(1,703)**	1,684	(3,387)	**329**	4,691	(4,362)

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

The weakening of the Canadian dollar against the main currencies of the Corporation during the third quarter of 2013 generated a foreign exchange gain. In the same quarter of the previous fiscal year, currency fluctuations had a lesser effect. The foreign exchange loss for the nine-month period ended December 31, 2012 stemmed mostly from the euro's weakening against the Swedish krona and to a lesser extent, from the depreciation of the U.S. dollar against the Canadian currency. The foreign exchange gain for the same period of the previous fiscal year was mainly due to the weakening of the euro against the other main currencies of the Corporation.

The gains related to derivative financial instruments in the third quarter of 2013 are attributable to unrealized and realized gains on foreign currency contracts outstanding as at December 31, 2012 and the favourable remeasurement of the total return swap based on the market price of Class A subordinate voting shares. Also, the decrease in the loss related to financial instruments for the nine-month period ended December 31, 2012 is attributable to realized and unrealized gains on foreign exchange contracts and a considerable decrease in the loss on the total return swap compared with the loss recognized for the same period of the previous fiscal year.

Income taxes

	Quarters ended December 31		Change	Nine-month periods ended December 31		Change
(In thousands of $, except percentages)	**2012**	2011	$	**2012**	2011	$
Earnings (loss) before income taxes – continuing operations	**2,208**	(1,728)		**(3,810)**	(3,973)	
Earnings (loss) before income taxes – discontinued operations	**(4,648)**	164		**(6,707)**	714	
Loss before income taxes	**(2,440)**	(1,564)	(876)	**(10,517)**	(3,259)	(7,258)
Income tax expense (recovery) – continuing operations	**(834)**	(4)		**2,894**	(1,949)	
Income tax expense (recovery) – discontinued operations	**(167)**	–		**(167)**	–	
Income tax (recovery) expense	**(1,001)**	(4)	(997)	**2,727**	(1,949)	4,676
Effective tax rate (%)	**41.0%**	0.3%		**(25.9)%**	59.8%	
Canadian statutory rate (%)	**26.9%**	26.9%		**26.9%**	26.9%	

An income tax recovery was recognized during the third quarter of 2013, mainly due to the decrease in taxable income in the U.S. following certain adjustments that reduced the cumulative income tax expense for the current year. The difference between the effective tax rate and the Canadian statutory rate resulted primarily from the current income tax expense in the U.S. and the valuation allowances for deferred tax assets of other subsidiaries. If profitability improves in the coming quarters, the Corporation will be able to make partial use of these deferred tax assets.

Discontinued operations

On August 9, 2012, GLV announced a reorganization that will significantly affect the future strategy, including how Ovivo is managed, more specifically its Industrial cash generating unit ("CGU"). In October 2012, the Industrial CGU was divided into four different CGUs: "Energy," "Electronics and Metals," "Food and beverage processing" and "Waste to energy." The new Industrial CGU structure stems from the new business strategy resulting from Ovivo's operational refocusing.

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

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

	Quarters ended December 31		**Nine-month periods ended December 31**	
	2012	2011	**2012**	2011
(in thousands of $)				
Net loss attributable to shareholders of GLV Inc.	**(1,438)**	(1,570)	**(13,232)**	(1,302)
Net earnings (loss) from continuing operations attributable to shareholders of GLV Inc.	**3,043**	(1,734)	**(6,692)**	(2,016)
Normalized net earnings (loss) from continuing operations attributable to shareholders of GLV Inc.	**3,907**	(1,358)	**(3,152)**	(858)
(In $ per share, basic and diluted)				
Net loss attributable to shareholders of GLV Inc.	**(0.03)**	(0.04)	**(0.30)**	(0.03)
Net earnings (loss) from continuing operations attributable to shareholders of GLV Inc.	**0.07**	(0.04)	**(0.15)**	(0.05)
Normalized net earnings (loss) from continuing operations attributable to shareholders of GLV Inc.	**0.09**	(0.03)	**(0.07)**	(0.02)
Weighted average number of participating shares outstanding (in thousands):				
Basic	**44,092**	44,092	**44,092**	44,092
Diluted	**44,093**	44,092	**44,094**	44,092

For the third quarter of 2013, the Corporation reported net earnings from continuing operations compared with a net loss for the corresponding quarter of the previous fiscal year. Although normalized adjusted EBITDA was lower, the favourable change in the value of derivative financial instrument, the decrease in net financial expenses, the foreign exchange gain and the reduced income tax expense contributed to the improvement in overall profitability.

For the nine-month period ended December 31, 2012, the Corporation reported a net loss of $13.2 million or $0.30 per share, basic and diluted, compared with a net loss of $1.3 million or $0.03 per share, basic and diluted, for the corresponding period of the previous fiscal year. The Corporation reported a net loss from continuing operations attributable to shareholders of GLV Inc. of $6.7 million or $0.15 per share, basic and diluted, compared with $2.0 million or $0.05 per share, basic and diluted, for the corresponding period of the previous fiscal year. Excluding the impact of discontinued operations, the changes stemmed primarily from the higher income tax expense and the lower operating income mainly following restructuring costs of $2.9 million and an impairment loss of $0.7 million, partly offset by the decrease in net financial expenses.

6. SUMMARY OF QUARTERLY PERFORMANCE

	Quarters ended							
	Fiscal 2013			**Fiscal 2012**				**Fiscal 2011**
(In thousands of $, except per share amounts)	**December 31, 2012**	**September 30, 2012**	**June 30, 2012**	**March 31, 2012**	**December 31, 2011**	**September 30, 2011**	**June 30, 2011**	**March 31, 2011**
Revenues	**145,529**	140,575	146,744	168,519	157,781	166,638	150,421	168,235
Adjusted EBITDA	**3,295**	3,627	6,574	(1,595)	6,227	6,076	4,017	8,921
Normalized adjusted EBITDA	**4,614**	5,198	6,574	3,345	6,603	6,858	4,017	7,449
Operating income (loss)	**694**	(707)	3,443	(45,898)	2,787	2,987	(702)	3,615
Normalized operating income (loss)	**1,558**	1,969	3,443	(36)	3,163	3,769	(702)	2,754
Net earnings (loss) attributable to shareholders of GLV Inc.:								
From continuing operations	**3,043**	(5,990)	(3,746)	(51,350)	(1,734)	3,763	(4,045)	(4,866)
per share (basic and diluted)	**0.07**	(0.13)	(0.10)	(1.17)	(0.04)	0.09	(0.09)	(0.11)
From normalized continuing operations	**3,907**	(3,314)	(3,746)	(5,488)	(1,358)	4,545	(4,045)	(5,799)
per share (basic and diluted)	**0.09**	(0.07)	(0.10)	(0.13)	(0.03)	0.10	(0.09)	(0.13)
From discontinued operations	**(4,481)**	(264)	(1,794)	(1,496)	164	596	(46)	(3,680)
per share (basic and diluted)	**(0.10)**	(0.01)	(0.04)	(0.02)	0.01	0.01	0.00	(0.08)
Total	**(1,438)**	(6,254)	(5,540)	(52,846)	(1,570)	4,359	(4,091)	(8,546)
per share (basic and diluted)	**(0.03)**	(0.14)	(0.13)	(1.20)	(0.04)	0.10	(0.09)	(0.19)
Net earnings (loss) attributable to non-controlling interests	**(1)**	(11)	-	76	10	(36)	18	316
Net earnings (loss)	**(1,439)**	(6,265)	(5,540)	(52,770)	(1,560)	4,323	(4,073)	(8,230)

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

- The recognition in the fourth quarter of 2011, the first two quarters and the fourth quarter of 2012 of additional costs required to complete some desalination contracts resulting from the acquisition of CWT;
- A return to positive normalized adjusted EBITDA and normalized operating income for Ovivo in the first quarter of 2013, despite lower revenues, resulting from efficient performance of contracts in progress and tight cost control.
- Discontinuation of Ovivo's waste to energy segment operations representing a loss of $4.5 million in the third quarter of 2013; comparative data for the previous quarters reported in this MD&A have been restated to take into account the impact of these operations on earnings (loss).

7. FINANCIAL SITUATION AND CASH FLOWS

After deducting net acquisitions of property, plant and equipment, cash flow generated in the third quarter of 2013 amounted to $10.2 million ($0.23 per share, basic and diluted) compared with generated cash flow totalling $13.2 million ($0.30 per share, basic and diluted) for the same quarter of 2012. For the nine-month period ended December 31, 2012, cash flow used totalled $5.7 million ($0.13 per share, basic and diluted) compared with generated cash flow amounting to $15.8 million ($0.36 per share, basic and diluted) for the corresponding period of last fiscal year.

	Quarters ended December 31		**Nine-month periods ended December 31**	
(In thousands of $, except per share amounts)	**2012**	2011	**2012**	2011
Cash flows provided by (used in) continuing operating activities before net changes in non-cash items	**1,972**	2,159	**3,597**	6,946
Net change in non-cash items related to continuing operating activities	**9,123**	10,046	**(8,662)**	8,515
Additions to property, plant and equipment, net of disposals	**(859)**	969	**(636)**	367
Cash flow generated from (used in) continuing operations	**10,236**	13,174	**(5,701)**	15,828
per share (basic and diluted)	**0.23**	0.30	**(0.13)**	0.36

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

	Quarter ended December 31	**Nine-month period ended December 31**
(in thousands of $)	**2012**	**2012**
Trade and other receivables	**9,594**	**9,141**
Inventories	**(1,709)**	**(713)**
Contracts in progress	**(15,116)**	**(11,912)**
Prepaid expenses	**(32)**	**403**
Accounts payable and accrued liabilities, provisions and other liabilities	**10,339**	**(12,974)**
Deferred revenues	**3,969**	**2,122**
Income taxes receivable/payable	**2,078**	**5,271**
	9,123	**(8,662)**

The $9.1 million positive impact on cash flows for the third quarter of 2013 resulting from changes in non-cash items related to operations is mainly attributable to higher accounts payable and accrued liabilities, provisions and other liabilities resulting from supplier payment schedules, and lower trade and other receivables owing primarily to tighter management of trade receivables collection during the quarter. These impacts were partly offset by the increase in contracts in progress, net of deferred revenues that vary according to percentage of completion. The $8.7 million adverse effect on cash flows for the nine-month period ended December 31, 2012 was mainly attributable to a decline in accounts payable and accrued liabilities, provisions and other liabilities resulting from supplier payment schedules and the slowdown in operations for certain entities, as well as an increase in contracts in progress, net of deferred revenues stemming from the same factors as for the quarter.

Excluding the current portion of long-term debt, the Corporation had a net working capital position of $121.8 million as at December 31, 2012, representing a ratio of 1.55 as at that date, compared with $125.7 million and a ratio of 1.63 as at September 30, 2012 and $129.8 million and a ratio of 1.57 as at March 31, 2012. The Corporation's total assets amounted to $501.1 million as at December 31, 2012, compared with $523.2 million as at March 31, 2012, a decrease attributable mainly to cash and cash equivalents, and trade and other receivables, partly offset by the increase in contracts in progress. Generally, management seeks to maintain its working capital ratio at about 1.50 given the Corporation's business model. The Corporation continues to focus on optimizing management of trade receivables to maximize the resulting cash flows and thereby reduce financial expenses.

Changes in exchange rates resulted in a $0.3 million positive variance on remeasurement of cash and cash equivalent items for the third quarter of fiscal 2013 and a negative variance of $0.6 million for the nine-month period ended December 31, 2012.

The net cash flow effect in the third quarter of 2013 and the nine-month period ended December 31, 2012 was an increase of $3.4 million and a decrease of $12.6 million, respectively, in cash and cash equivalents.

Investing activities

Investing activities for the third quarter of 2013 and the nine-month period ended December 31, 2012 used net cash flows of $0.9 million and $2.0 million, respectively, compared with net cash used of $0.6 million and $1.6 million for the respective periods of the previous year. During the first quarter of 2013, the Corporation sold a building held for sale for a consideration of $2.2 million.

Additional comments on financial position

	As at December 31, 2012	As at March 31, 2012
(in thousands of $, except ratio)		
Long-term debt, including current portion	**81,412**	80,932
Cash and cash equivalents	**(22,941)**	(35,583)
Total net debt	**58,471**	45,349
Equity	**173,146**	186,461
Invested capital	**231,617**	231,810
Total net debt to invested capital ratio	**25.2%**	19.6%

As at December 31, 2012, the Corporation's total debt amounted to $81.4 million compared with $83.9 million as at September 30, 2012 and $80.9 million as at March 31, 2012. Net of cash and cash equivalents, GLV's total net debt as at December 31, 2012 stood at $58.5 million for a total net debt to invested capital ratio of 25.2%, compared with total net debt of $64.4 million and a 27.5% ratio as at September 30, 2012 and a total net debt of $45.3 million and a ratio of 19.6% as at March 31, 2012. Due to their maturities, non-convertible European debentures are presented as current liabilities in the unaudited interim condensed consolidated financial statements as at December 31, 2012.

As at December 31, 2012, the cash position and bank credit facilities were sufficient to fund operations and redeem non-convertible debentures maturing in April 2013. Moreover, all financial ratios met the requirements under current credit agreements with GLV's banking institutions. Where there are special or non-recurring items, the terms of these credit agreements require the use of normalized adjusted EBITDA to determine financial ratios. Accordingly, as at December 31, 2012, financial ratios were calculated using normalized adjusted EBITDA as defined in the agreements, which includes, in particular, the operating results of the past twelve months ended December 31, 2012 of the entities whose shares were acquired and excludes the operating results of the past twelve months ended December 31, 2012 of private entities, entities with discontinued operations or entities 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 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 Development Canada. The financing agreement also includes an uncommitted accordion feature providing access to an additional $50 million.

The Corporation also amended certain covenants of its two revolving credit facilities in Austria in the second quarter of 2013. The first facility amounting to €35 million ($46 million) is used to issue letters of credit and the second, totalling €2.5 million ($3.3 million), is used to meet day-to-day financing requirements. 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, and the terms are renegotiable in March of each year. As at December 31, 2012, drawdowns under this facility totalled €28.0 million ($36.9 million). The credit facility for day-to-day financing matures on December 31, 2015 and may be cancelled on three months' notice.

Share capital information and stock-based compensation

	Authorized	Number of shares issued and outstanding
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 third quarter of 2013 and the nine-month period ended December 31, 2012, 1,400 shares and 5,100 Class B multiple voting shares, respectively, were converted into Class A subordinate voting shares.

During the three-month and nine-month periods ended December 31, 2012, the Corporation issued nil and 37,233 stock options, respectively. The stock options granted to directors vested on the grant date. During the nine-month period ended December 31, 2012, subsequent to the cancellation of 81,000 stock options, including 20,000 during the third quarter of 2013, outstanding options to acquire Class A subordinate voting shares under the Corporation's stock option plan totalled 2,123,822 (2,167,589 as at March 31, 2012) of which 1,505,822 (1,124,789 as at March 31, 2012) were exercisable based on the time requirement, notwithstanding achievement of target prices when the requirement applies.

For further information, refer to note 7 to the unaudited interim condensed consolidated financial statements accompanying this interim 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 $)	**2012**	2012	**%**	**%**	2012	%	%
Total	**334,216**	333,630	**0.2%**	**(0.7)%**	346,792	(3.6)%	(2.3)%
Ovivo	**259,992**	271,330	**(4.2)%**	**(4.8)%**	264,414	(1.7)%	0.0%
Pulp and Paper	**62,908**	50,336	**25.0%**	**23.5%**	70,345	(10.6)%	(10.6)%
Other	**11,316**	11,964	**(5.4)%**	**(7.9)%**	12,033	(6.0)%	(5.5)%

Ovivo

As at December 31, 2012, Ovivo's backlog, excluding that of discontinued operations, amounted to $259.9 million, down from $271.3 million for the previous quarter, which however included the backlog of the Finnish subsidiary that was sold at the beginning of the current quarter. Despite this decrease, the tendering activity level remains high in the markets targeted by Ovivo's operational refocusing strategy.

The energy segment's backlog increased following contract wins in South Africa. Given the satisfactory level of tendering activity, our outlook is favourable for this market, which is expected to continue performing well.

The U.S. municipal segment, which was affected by the economic conditions over the past few quarters, seems to be gradually recovering, recording backlog growth compared with the past four quarters. This upturn was noted for both new equipment sales and order-taking in the parts and services market, another niche targeted by Ovivo's business strategy. Despite its slight downward trend, operating volume in the municipal segment in Europe, the Middle East and Africa remains sufficient to meet the targets set by management.

Although in decline compared with the last quarter, the backlog in the electronics and metals segment – another key market in Ovivo's strategy – is higher than in all the other quarters since the beginning of the previous fiscal year. Given sustained tendering activity for large-scale projects, the outlook for this market remains favourable.

Ovivo's parts and services market has grown for the third consecutive quarter. The parts and services market comprise sales of spare parts and chemicals, as well as maintenance and equipment optimization services. This market, which generates recurring revenue, is one of Ovivo's top priorities. New hires were already made during the third quarter to support growth in this market and more hires are expected during the coming fiscal year.

Ovivo's refocusing plan announced last August is on track. According to the Corporation's management, Ovivo will improve its profitability gradually as the measures taken over the past quarters generate benefits.

Pulp and Paper Group

The Pulp and Paper Group's backlog was up as at December 31, 2012 following a sharp decrease during the first two quarters of the fiscal year. The increase stemmed mainly from higher order-taking for new equipment sales in the pulp processing segment, primarily in North America, as discussed in our previous MD&A. Although tendering volume remains satisfactory, the slowdown in Europe and China seems to be continuing.

The parts and services market remains key for this group and management continues its efforts in Europe to boost this segment's operating volume in the upcoming quarters. For fiscal 2013 as a whole, the current and anticipated backlog for the group will generate a fair volume of activity; however, additional costs for completing some contracts will drag profit margins below fiscal 2012 levels.

Other

The Van Der Molen division is well on track to meet its fiscal 2013 targets and its sustained business volume ensures solid profitability despite a more challenging business environment resulting from economic uncertainty. During the past two fiscal years, this division was able to regain its credibility in the market by focusing on client relationships. The Van Der Molen division's backlog as at December 31, 2012 is at its highest in the past five quarters.

For fiscal 2013, the two manufacturing units aim to achieve an acceptable level of profitability. Given a slightly lower backlog than as at March 31, 2012, economic conditions and order-taking remain key issues for the current fiscal year.

Last, head office costs are projected to remain comparable to the level in fiscal 2012.

Overall outlook

Management remains conservative in its forecasts of business volume for the next few 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.

The downsizing measures implemented in the fourth quarter of the previous fiscal year and those arising from the Ovivo refocusing plan announced in the second quarter will gradually have an impact on operating results of both core operating groups of the Corporation. The plan is expected to generate annualized savings of approximately $7 million, plus an additional contribution made by the Ovivo operational refocusing strategy. Management expects the measures implemented to have a gradual effect with more substantial results anticipated for the coming fiscal year. The Corporation's primary goal remains improving the financial performance and competitive positioning of its two core operating groups to expand their share in their respective key market niches.

For fiscal 2013 as a whole, assuming exchange rates remain stable at current levels and in light of the outlook in the segments serviced by each group, and in particular the refocusing of Ovivo's operations, the Corporation expects consolidated revenues to total approximately $600 million.

GLV remains focused on its objective of long-term value creation for shareholders. To do so, it will rely primarily on Ovivo's strategy to refocus on its four key markets in an industry with strong organic growth potential driven by expanding global demand for water as well as growth 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 satisfactory 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 10, "Risks and Uncertainties" of the MD&A for the fiscal year ended March 31, 2012.

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 2013.

10. ACCOUNTING POLICIES

a) Critical accounting policies and estimates

The unaudited interim condensed consolidated financial statements of the Corporation for the three-month and nine-month periods ended December 31, 2012 have been prepared in accordance with IAS 34, *Interim Financial Reporting*, which form part of International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The accounting policies used in the unaudited interim condensed 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, 2012.

The preparation of the Corporation's unaudited interim condensed consolidated financial statements in accordance with IFRS requires management to exercise judgment in developing estimates and making forward-looking assumptions that affect the amounts reported in the consolidated financial statements. Actual results could give rise to significant adjustments to the reported amounts of assets, liabilities and earnings (loss) in subsequent periods. The Corporation's most significant estimates and assumptions for the three-month and nine-month periods ended December 31, 2012 are the same as those presented in note 2(c) to the annual consolidated financial statements as at March 31, 2012 except for the identification of cash-generating units. See note 5 to the unaudited interim condensed financial statements of the Corporation for the three-month and nine-month periods ended December 31, 2012.

b) Future changes in accounting policies

IFRS 7, *Financial Instruments: Disclosures*

In December 2011, the IASB amended this standard to set out additional disclosure requirements regarding the offsetting of financial assets and financial liabilities. The standard was also amended to reflect the effects of adopting IFRS 9, *Financial Instruments*.

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.* In December 2011, it was determined that the standard will be effective for fiscal years beginning on or after January 1, 2015.

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 13, *Fair Value Measurement*

On May 12, 2011, the IASB released IFRS 13, *Fair Value Measurement*, which provides a single definition of fair value, eliminating 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 or defer 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 costs 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.

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.

The Corporation is currently assessing the effects of adopting these new standards (except for IAS 28), which are effective for fiscal years beginning on or after January 1, 2013, save IAS 32 and IFRS 9, which are effective for fiscal years beginning on or after January 1, 2014 and 2015, respectively.

11. RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

The financial information presented in this interim MD&A, including tabular amounts, is prepared in accordance with IFRS. The information contained in this interim MD&A also includes some figures that are non-IFRS financial measures, specifically:

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

Such measures enable management to assess the operational and financial performance of its different 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 loss.

(in thousands of $)	**Ovivo**	**Pulp and Paper**	**Other**	**Consolidated earnings (loss)**
As presented on the financial statements:				
Quarter ended December 31, 2012				
Operating income (loss) from continuing operations	2,711	953	(2,970)	694
Asset impairment	(455)	–	–	(455)
Amortization	1,494	538	1,024	3,056
Earnings from continuing operations before amortization, asset impairment, net financial expenses, foreign exchange loss (gain), loss (gain) related to derivative financial instruments and income taxes	3,750	1,491	(1,946)	3,295
Normalized items	1,195	124	–	1,319
Normalized adjusted EBITDA	4,945	1,615	(1,946)	4,614
Nine-month period ended December 31, 2012				
Operating income (loss) from continuing operations	6,410	6,836	(9,816)	3,430
Asset impairment	650	–	–	650
Amortization	4,641	1,776	2,999	9,416
Earnings from continuing operations before amortization, asset impairment, net financial expenses, foreign exchange loss (gain), loss (gain) related to derivative financial instruments and income taxes	11,701	8,612	(6,817)	13,496
Normalized items	2,443	124	323	2,890
Normalized adjusted EBITDA	14,144	8,736	(6,494)	16,386
Quarter ended December 31, 2011				
Operating income (loss) from continuing operations	3,668	1,965	(2,846)	2,787
Amortization	1,804	526	1,110	3,440
Earnings from continuing operations before amortization, asset impairment, net financial expenses, foreign exchange loss (gain), loss (gain) related to derivative financial instruments and income taxes	5,472	2,491	(1,736)	6,227
Normalized items	376	–	–	376
Normalized adjusted EBITDA	5,848	2,491	(1,736)	6,603
Nine-month period ended December 31, 2011				
Operating income (loss) from continuing operations	6,105	7,293	(8,326)	5,072
Amortization	6,189	1,651	3,408	11,248
Earnings from continuing operations before amortization, asset impairment, net financial expenses, foreign exchange loss (gain), loss (gain) related to derivative financial instruments and income taxes	12,294	8,944	(4,918)	16,320
Normalized items	1,158	–	–	1,158
Normalized adjusted EBITDA	13,452	8,944	(4,918)	17,478

12. CONTROLS AND PROCEDURES

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

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

During the three-month period ended December 31, 2012, 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.

President and Chief Executive Officer

(SIGNED)
Richard Verreault

Chief Financial Officer

(SIGNED)
France De Blois, CPA, CA

February 14, 2013