

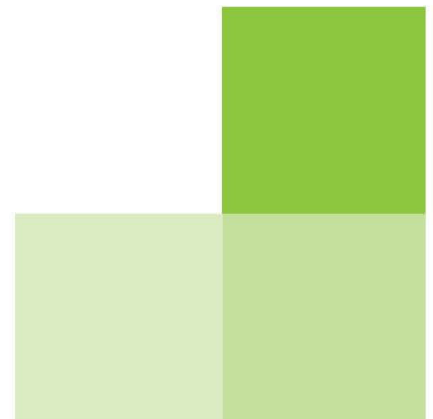


GENIVAR Income Fund

First Quarter Report

For the three-month period ended March 29, 2008

Management's Discussion & Analysis



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis of financial condition and results of operations ("MD&A") dated as of May 13, 2008, is intended to assist readers in understanding the GENIVAR Income Fund (the "Fund"), its business environment, strategies, performance and risk factors. In this MD&A, the "Fund", "we", "us" and "our" mean GENIVAR Income Fund. This MD&A should be read together with the unaudited consolidated financial statements and accompanying notes of the Fund for the period ended March 29, 2008. The Fund's consolidated financial statements are expressed in Canadian dollars and have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

This MD&A focuses on the Fund's first-quarter results, being from January 1 to March 29, 2008. The Fund's quarters comprise 13 weeks except the last one, which has to end on December 31 of each year.

The GENIVAR Engineering Services Business means the professional consulting engineering services and related services business that was previously carried on by GENIVAR inc. and which is now carried on by the Fund through GENIVAR Limited Partnership ("GENIVAR LP").

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements. These statements relate to future events or future performance and reflect the expectations of management (the "Management"), regarding the growth, results of operations, performance and business prospects and opportunities of GENIVAR LP or of the Engineering Services industry. Such forward-looking statements reflect current beliefs of Management and are based on information currently available. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue" or the negative of these terms or other comparable terminology. A number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, investors should specifically consider various factors, including the risks outlined under the heading "Risk Factors" of this MD&A, which may cause actual events or results to differ materially from the results discussed in any forward-looking statement. Although the forward-looking statements contained in this MD&A are based upon what Management believes to be reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements.

NON-GAAP MEASURES

The Fund uses non-GAAP measures that are used by Canadian open-ended income funds as indicators of financial performance measures under GAAP and may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable. The Fund believes these measures are useful supplemental measures that may assist investors in assessing an investment in units of the Fund.

Non-GAAP measures used by the Fund are net revenues, EBITDA, distributable cash, and payout ratio. These measures are defined at the end of this MD&A in the glossary. In the third quarter of 2007, the definitions of distributable cash and payout ratio have been revised to comply with the recommendations provided in CICA's publication "Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities."

OVERVIEW OF THE FUND

The Fund offers a broad diversity of professional consulting services in planning, engineering, architecture, environmental services, project management and a variety of project services throughout all execution phases: from the initial development studies through the design, construction, commissioning and maintenance phases. We have developed a multidisciplinary team approach where resources work closely with clients to develop optimized solutions which are on time and on budget. We are a fee-for-service business which operates in five distinct market segments, which are: Building, Urban Infrastructure, Transportation, Industrial and Power, and Environment.

The Fund is one of the largest Engineering Services firm in Canada in terms of number of employees, with more than 2,800 managers, professionals, technicians and technologists and support staff in over 60 offices in Canada and abroad.

HIGHLIGHTS

The following MD&A covers the period from January 1, 2008 to March 29, 2008, which represents the first quarter of the second full fiscal year of the GENIVAR Income Fund. In 2008, we will therefore be able to provide complete comparative information to 2007. The Fund had a solid financial performance in the first three months of 2008, during which time we completed the integration of the acquisitions made in the second half of 2007 and maintained our acquisition strategy by adding 365 employees during the quarter with the addition of Transenco ("TL"), Phoenix, RFA, and EXH. The contribution of these four acquisitions, in the first quarter, was limited due to the fact that some of these acquisitions were included in the Fund's results starting at their acquisition date and not January 1. We expect the impact of these acquisitions to be more important

in the following months, especially due to the continued integration process and to the seasonal exposure of EXH, which operates mostly in the design and supervision of transportation and municipal infrastructure construction projects.

These four companies, who joined GENIVAR, complement technically and geographically our national platform. TL brings highway design expertise which broadens our capabilities in the transportation market in Ontario; Phoenix consolidates our leadership position in Canada in wind power; RFA strengthens our building capabilities in Western Canada in electrical design and, finally, EXH provides us with a strong regional platform in Alberta and market leadership in transportation and municipal infrastructure in that province. Subsequent to quarter end, Doucet & Associates, an established and prominent firm in telecommunications and public utilities, in the province of Quebec, joined us and added about 50 people in Quebec City and Montreal.

The first quarter yielded strong results for the Fund. Revenues grew by 29.0% to \$70.1 million compared to the same period in 2007 and net revenues were \$60.1 million during this first quarter, up from \$44.2 million in 2007. EBITDA, during the period from January 1, 2008, to March 29, 2008, stood at \$11.9 million up from \$8.1 million during the same period in 2007, representing an increase of 46.8%. EBITDA margin on net revenues for the first quarter of 2008 was 19.7%, up from 18.3% during the same period in 2007.

All regions and market segments contributed to this strong performance and produced results that were in line with the forecasts. Backlog increased to \$294.1 million as of March 29, 2008, and the outlook remains positive in all provinces where we operate and within all the markets that we serve. We secured several significant contracts during this period. Among these mandates are: the project and construction management services in environment for the Gaspé Reclamation Project in Murdochville for Xstrata Copper; the electrical and mechanical engineering, instrumentation and piping, as well as civil technical support for the Twin Rivers canola seed and soybean crushing plant in the Mauricie Region, in the province of Quebec; a multidisciplinary mandate in building engineering for two new office towers, 21 and 25 storeys, respectively, in Quebec City for Cominar; the structural, mechanical and civil engineering and supervision work, as well as environmental studies for the new Calypso Park, the future largest water park in Canada, which will be located in Ottawa, Ontario.

In transportation, GENIVAR has been selected by the Quebec Ministry of Transportation to provide engineering services, in consortium, for the refurbishment of the Dorval Interchange near Montreal's Trudeau International Airport in Montreal.

International activities were also buoyant as we successfully completed the engineering and commissioning of the Mana Mining project in Burkina Faso for SEMAFO, a fast-track project, with the first gold output being produced in March

2008. GENIVAR was also awarded an important and challenging fast-track project management assignment for a new Convention Centre, in Oran, in Algeria, including a multi-purpose conference and convention facilities, a five-star 300-room hotel, and a hotel apartment. Leveraging its solid operating base in Trinidad, GENIVAR has been awarded a mega project for Trinidad and Tobago's Ministry of National Security aimed at redeveloping its security facilities, including, among others, police stations, fire halls and detention centres. The scope of the mandate covers the calls for proposals and tender documents, in addition to managing the project and monitoring the work.

SUMMARY OF QUARTERLY RESULTS

IN THOUSANDS OF DOLLARS, EXCEPT PER UNIT DATA	2008		2007				2006		
	TTM	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2 (37 days)
	TRAILING TWELVE MONTHS (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO MARCH 29 (UNAUDITED)	FOR THE PERIOD FROM OCTOBER 1 TO DECEMBER 31 (UNAUDITED)	FOR THE PERIOD FROM JULY 1 TO SEPTEMBER 30 (UNAUDITED)	FOR THE PERIOD FROM APRIL 1 TO JUNE 30 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO MARCH 31 (UNAUDITED)	FOR THE PERIOD FROM OCTOBER 1 TO DECEMBER 31 (UNAUDITED)	FOR THE PERIOD FROM JULY 2 TO SEPTEMBER 30 (UNAUDITED)	FOR THE PERIOD FROM MAY 25 TO JULY 1 (UNAUDITED)
Results of operations									
Revenues	\$ 272,949	\$ 70,087	\$ 70,528	\$ 68,543	\$ 63,791	\$ 54,343	\$ 49,703	\$ 42,555	\$ 17,523
Net revenues (1)	\$ 222,608	\$ 60,148	\$ 57,999	\$ 53,602	\$ 50,859	\$ 44,168	\$ 36,733	\$ 33,732	\$ 14,216
Gross margin	\$ 109,539	\$ 29,966	\$ 28,762	\$ 26,233	\$ 24,578	\$ 21,076	\$ 17,533	\$ 16,196	\$ 7,176
EBITDA	\$ 45,948	\$ 11,878	\$ 12,788	\$ 11,685	\$ 9,597	\$ 8,090	\$ 7,437	\$ 7,024	\$ 3,354
Net earnings	\$ 17,221	\$ 4,598	\$ 5,676	\$ 4,344	\$ 2,603	\$ 2,672	\$ 2,577	\$ 2,364	\$ 1,403
Basic and diluted net earnings per unit	\$ 1.42	\$ 0.36	\$ 0.44	\$ 0.38	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.21	\$ 0.13
Weighted average number of units		12,870,664	12,858,533	11,305,396	10,992,394	11,000,000	11,000,000	11,000,000	11,000,000
Diluted weighted average number of units		21,347,826	21,332,787	19,347,454	18,920,619	18,927,381	18,927,381	18,927,381	18,927,381
Distributable cash									
Distributable cash (2) (3)									
Standardized	\$ 30,161	\$ 5,461	\$ 18,293	\$ 4,784	\$ 1,623	(\$ 951)	\$ 7,918	\$ 5,682	(\$ 1,850)
Adjusted	\$ 37,309	\$ 9,798	\$ 11,218	\$ 9,575	\$ 6,718	\$ 6,441	\$ 6,269	\$ 6,097	\$ 3,269
Distributable cash, per unit (2) (3)									
Standardized	\$ 1.43	\$ 0.26	\$ 0.86	\$ 0.22	\$ 0.09	(\$ 0.05)	\$ 0.42	\$ 0.30	(\$ 0.10)
Adjusted	\$ 1.79	\$ 0.46	\$ 0.53	\$ 0.45	\$ 0.35	\$ 0.34	\$ 0.33	\$ 0.32	\$ 0.17
Distributions declared	\$ 26,752	\$ 5,340	\$ 11,749	\$ 4,933	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730	\$ 1,934
Distributions declared, per unit	\$ 1.30	\$ 0.25	\$ 0.55	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.10
Payout ratio									
Adjusted	71.7%	54.5%	104.7%	51.5%	70.4%	73.4%	75.5%	77.6%	59.2%

(1) Net revenues are defined as Revenues less subconsultants and other direct expenses (see glossary).

(2) The definition of distributable cash has been revised in Q3-2007 to comply with the recommendations provided in CICA's publication "Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities." See section "Distributable cash."

(3) Distributable cash and distributable cash per unit amounts are calculated for the combined interest of the Fund's units and Non-subordinated Exchangeable LP units and Subordinated Exchangeable LP units, which total 21,366,405 as at March 29, 2008 (18,927,381 at the same date in 2007). Number of units has not been adjusted to reflect units purchased in the market in connection with the long-term incentive plan since the distributions on these units continue to be declared and paid.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

FINANCIAL HIGHLIGHTS

	3 months	
	2008	2007
	FOR THE PERIOD FROM JANUARY 1 TO MARCH 29 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO MARCH 31 (UNAUDITED)
IN THOUSANDS OF DOLLARS, EXCEPT PER UNIT DATA		
Net revenues	\$ 60,148	\$ 44,168
EBITDA	\$ 11,878	\$ 8,090
Net earnings	\$ 4,598	\$ 2,672
Net earnings per Fund unit		
Basic	\$ 0.36	\$ 0.24
Diluted	\$ 0.36	\$ 0.24

	3 months	
	2008	2007
	FOR THE PERIOD FROM JANUARY 1 TO MARCH 29 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO MARCH 31 (UNAUDITED)
IN THOUSANDS OF DOLLARS		
Distributable cash (1)		
Standardized	\$ 5,461	(\$ 951)
Adjusted	\$ 9,798	\$ 6,441
Aggregate Distributions, all units	\$ 5,340	\$ 4,730
Payout ratio		
Adjusted	54.5%	73.4%

BALANCE SHEETS

	2008	2007
	AS AT MARCH 29 (UNAUDITED)	AS AT DECEMBER 31 (AUDITED)
IN THOUSANDS OF DOLLARS		
Total assets	\$ 361,931	\$ 305,972
Long-term financial liabilities (2)	\$ 35,717	-

- (1) The definition of distributable cash has been revised in Q3-2007 to comply with the recommendations provided in CICA's publication "Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities." See section "Distributable Cash."
- (2) Long-term financial liabilities consist of balances of purchase prices payable, long-term debt and bank advances.

RESULTS OF OPERATIONS

	3 months	
	2008	2007
	FOR THE PERIOD FROM JANUARY 1 TO MARCH 29 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO MARCH 31 (UNAUDITED)
IN THOUSANDS OF DOLLARS EXCEPT PER UNIT DATA		
Revenues	\$ 70,087	\$ 54,343
Deduct: Subconsultants and other direct expenses	\$ 9,939	\$ 10,175
Net revenues	\$ 60,148	\$ 44,168
Direct project costs	\$ 30,182	\$ 23,092
Gross margin	\$ 29,966	\$ 21,076
Marketing, general, and administrative expenses and others	\$ 18,088	\$ 12,986
EBITDA	\$ 11,878	\$ 8,090
Interest	\$ 121	\$ 295
Depreciation of property, plant, and equipment	\$ 854	\$ 599
Amortization of intangible assets	\$ 3,440	\$ 2,458
Earnings before income taxes and non-controlling interest	\$ 7,463	\$ 4,738
Income tax expense (recovery) (1)	(\$ 152)	\$ 141
Earnings before non-controlling interest	\$ 7,615	\$ 4,597
Non-controlling interest (2)	\$ 3,017	\$ 1,925
Net earnings	\$ 4,598	\$ 2,672
Basic net earnings per unit	\$ 0.36	\$ 0.24
Weighted average number of units (2)	12,870,664	11,000,000
Diluted net earnings per unit	\$ 0.36	\$ 0.24
Diluted weighted average number of units (2)	21,347,826	18,927,381

(1) See section "Results of operations – Income tax expense."

(2) As at May 13, 2008, the number of units is identical to what it was as at March 29, 2008.

RESULTS OF OPERATIONS

Revenues

We operate in one reporting segment, consulting services. We believe that our financial performance and our results should be measured and analyzed in relation to our fee-based revenues, or net revenues, since direct recoverable costs can vary significantly from contract to contract and are not indicative of our Engineering Services business.

Our revenues for the three-month period ended March 29, 2008, increased by \$15.8 million (29.0%) from \$54.3 million in 2007 to \$70.1 million in 2008.

Our net revenues, expressed as revenues less direct costs for subconsultants and other direct expenses that are recoverable directly from our clients, were in the amount of \$60.1 million for the three-month period ended March 29, 2008, and \$44.2 million for the corresponding period in 2007, which represents an increase of \$15.9 million (36.2%).

The following table summarizes the impact of business acquisitions and organic growth on both revenues and net revenues:

IN THOUSANDS OF DOLLARS	3 months	
	Variation 2008 vs. 2007	%
Revenues		
Acquisition growth (1)	\$ 9,401	17.3%
Organic growth	\$ 6,343	11.7%
Total increase	\$ 15,744	29.0%

IN THOUSANDS OF DOLLARS	3 months	
	Variation 2008 vs. 2007	%
Net revenues		
Acquisition growth (1)	\$ 8,084	18.3%
Organic growth	\$ 7,896	17.9%
Total increase	\$ 15,980	36.2%

(1) Acquisition growth is calculated by comparing the current revenues of the acquired business to the revenues for the corresponding period of the previous year. Current revenues that exceed the average revenues of the acquired business at the acquisition's date are presented as organic growth.

For the three-month period ended March 29, 2008, on a net revenues basis, acquisition growth accounted for \$8.1 million, from which \$3.3 million was generated by way of the acquisitions concluded in the first quarter of 2008 and \$4.8 million by way of the acquisitions concluded in the last three quarters of 2007.

Organic growth can be explained by an increase in the number of employees due to a higher level of both business activity and productivity as well as a growth within the acquired firms as a result of integration and cross-marketing. From

March 2007 to March 2008, the number of employees increased by 55.6%, from 1,800 to 2,800 employees. Of this increase, 25% came from organic growth.

Also, it is important to note that this significant growth will not necessarily be sustainable in the future.

Expenses

Our operating expenses consist of two major components which are our direct project costs and marketing, general, and administrative expenses. Direct project costs include payroll costs relating to the delivery of consulting services and project delivery. Marketing, general, and administrative expenses include payroll costs of marketing and other administrative support staff, such as accounting, communications, information technology, quality, health and safety, purchasing and human resources, as well as other fixed costs such as occupancy costs, non-recoverable client services costs, technology costs, office costs, professional services costs and insurance.

Other expenses include depreciation of property, plant and equipment, amortization of intangible assets and interest expense.

We believe that the key performance indicators of our business are direct project costs, gross margin and marketing, general, and administrative expenses, all of which are expressed as a percentage of net revenues.

Direct project costs

For the three-month period ended March 29, 2008, direct costs represented 50.2% of net revenues compared to 52.3% for the same period in 2007.

As a percentage of net revenues, direct costs for the last four complete quarters slightly decreased:

- 50.2% Q1-2008
- 50.4% Q4-2007
- 51.1% Q3-2007
- 51.7% Q2-2007

This improvement over the last quarters is attributable to better performance and profitability on projects.

Gross margin

For the three-month period ended March 29, 2008, the gross margin represented 49.8% of net revenues compared to 47.7% for the same period in 2007.

As a percentage of net revenues, gross margin slightly increased over the last four complete quarters:

- 49.8% Q1-2008
- 49.6% Q4-2007
- 48.9% Q3-2007
- 48.3% Q2-2007

As previously mentioned, this improvement over the last quarters is attributable to better performance and profitability on projects.

Marketing, general and administrative expenses and others

Marketing, general and administrative expenses and others for the three-month period ended March 29, 2008, increased to \$18.1 million compared to \$13.0 million for the same period in 2007. As a percentage of net revenues, marketing, general and administrative expenses and others represented 30.1%, compared to 29.4% for the same period in 2007.

As a percentage of net revenues, marketing, general, and administrative expenses for the last four complete quarters were as follows:

- 30.1% Q1-2008
- 27.5% Q4-2007
- 27.1% Q3-2007
- 29.5% Q2-2007

Marketing, general and administrative expenses are not in direct relation with net revenues and therefore may fluctuate from quarter to quarter. Historically, marketing, general and administrative expenses as a percentage of net revenues are higher in Q1 and Q2 than in Q3 and Q4. In the first quarter of 2008, the Fund completed four acquisitions. Resources were devoting significant efforts on integration of acquired businesses. Accordingly, there was more staff time charged to marketing, general and administrative expenses.

EBITDA

EBITDA for the three months ended March 29, 2008, stood at \$11.9 million, up \$3.8 million from \$8.1 million for the same period in 2007, thus representing a 46.8% increase. As a percentage of net revenues, EBITDA margin stood at 19.7% for the three-month period ended March 29, 2008, compared to 18.3% for the same period in 2007.

As a percentage of net revenues, EBITDA decreased in the last quarter:

- 19.7% Q1-2008
- 22.0% Q4-2007
- 21.8% Q3-2007
- 18.9% Q2-2007

The decrease in EBITDA during the first quarter of 2008 is mainly attributable to the increase in marketing, general and administrative expenses. (See *Marketing, general and administrative expenses and others* above).

Depreciation and amortization

Depreciation of property, plant and equipment for the three months ended March 29, 2008, was \$0.9 million compared to \$0.6 million for the same period in 2007. The underlying cause is the depreciation of additional assets acquired through various business acquisitions.

Amortization of intangible assets, for the three months ended March 29, 2008, was \$3.4 million compared to \$2.5 million for the same period in 2007. The amortization expense increase is attributable to the business acquisitions completed in 2007 and 2008.

Interest

Interest expense for the three months ended March 29, 2008, amounted to \$0.1 million compared to \$0.3 million for the same period in 2007.

Income tax expense

Prior to June 12, 2007, the Fund was not subject to income taxes. The future income tax provision included in the Fund's financial statements before this date reflects only those temporary differences expected to reverse within two Fund's operating subsidiaries subject to income taxes.

On June 12, 2007, draft legislative proposals to implement a tax on distributions from publicly traded income trusts and partnerships passed third reading in the House of Commons and received Royal Assent on June 22, 2007 (Bill C-52). The Bill contained what has become known as the "SIFT Rules" to bring these tax changes into force. Since the second quarter of 2007, the Fund accounts for future income taxes. The cumulative effect of estimated future income taxes is based on existing temporary differences between financial statement values and tax values of assets and liabilities that are expected to reverse from January 1, 2011, when the new rules take effect. To calculate the adjustment required, the Fund forecasted the changes in its tax attributes between March 29, 2008, and December 31, 2010. This calculation also takes into account the temporary differences attributable to the non-controlling interest. These forecasts will be updated quarterly using the tax

rate that is substantively enacted to be in effect for 2011 (29.5%). Any change will be reflected in net earnings.

For the three-month period ended March 29, 2008, the Fund recognized an amount of \$0.2 million as an income tax recovery. This recovery during the first quarter is mainly attributable to the temporary differences on intangible assets.

The Fund will be able to retain the benefit of the deferred application of the new tax regime until 2011. If, during the period from and including November 1, 2006 to December 31, 2010, the Fund is deemed to have undergone "undue expansion", as described in the Guidelines on Normal Growth issued by the Department of Finance (Canada) on December 15, 2006 (the "Normal Growth Guidelines"), the SIFT Rules will become applicable to the Fund on a date earlier than January 1, 2011.

Under the Normal Growth Guidelines, a SIFT will not lose the benefit of the deferred application of the new tax regime to 2011 if the aggregate amount of new equity (which will include units and debt that is convertible into units and potentially other substitutes for such equity) issued by it during any of intervening years up to 2011 does not exceed the greater of \$50.0 million and an objective "safe harbour" amount equal to a certain percentage of the Fund's market capitalization as of the end of trading on October 31, 2006 (measured in terms of the value of a fund's issued and outstanding publicly-traded units (not including debt, options or other interests that were convertible into Fund units)) ("October 31, 2006, Market Capitalization").

Considering its October 31, 2006 Market Capitalization and the 2007 issuance of Fund Units and interests convertible into Fund units, \$50 million of Fund units and interests convertible into Fund units may be issued for each of the 2008, 2009 and 2010 year.

Any relevant information will be considered in order to assess the optimal structure of GENIVAR in the future.

Net earnings and earnings per Fund unit

The Fund's net earnings for the three-month period ended March 29, 2008, were \$4.6 million or \$0.36 per unit on both a basic and diluted basis compared to \$2.7 million or \$0.24 per unit for the same period in 2007.

DISTRIBUTABLE CASH

Distributable cash is calculated in accordance with the recommendations provided in CICA's publication "Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities." A complete definition of distributable cash is provided at the end of this MD&A in the glossary. The Fund also calculated an adjusted distributable cash, which is defined as standardized distributable cash adjusted for

items that management believes are appropriate for the determination of levels of distributions. Distributions are based on actual historical and estimated future performance of the Fund on a full-year basis. Consequently, periodic fluctuations in non-cash working capital are not considered when evaluating the cash flows available for distribution.

DISTRIBUTABLE CASH

	3 months	
	2008	2007
	FOR THE PERIOD FROM JANUARY 1 TO MARCH 29 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO MARCH 31 (UNAUDITED)
IN THOUSANDS OF DOLLARS EXCEPT PER UNIT DATA		
Cash flows from operating activities	\$ 7,391	\$ 1,654
Capital expenditures paid	(\$ 1,930)	(\$ 2,605)
Standardized distributable cash	\$ 5,461	(\$ 951)
Change in non-cash working capital items (1)	\$ 4,337	\$ 6,135
Capital expenditures paid for non-recurring items (2)	-	\$ 1,257
Adjusted distributable cash (3)	\$ 9,798	\$ 6,441
Adjusted distributable cash, per unit (3)	\$ 0.46	\$ 0.34
Payout ratio		
Standardized	97.8%	497.4%
Adjusted	54.5%	73.4%
Distributions		
Fund's units distributions	\$ 3,224	\$ 2,749
Class B Non-subordinated Exchangeable LP unit distributions	\$ 934	\$ 799
Class C Subordinated Exchangeable LP unit distributions	\$ 1,182	\$ 1,182
Aggregate distributions, all units (3)	\$ 5,340	\$ 4,730
Aggregate distributions, all units, per unit (3)	\$ 0.25	\$ 0.25

- (1) Distributions are based on actual historical and estimated future performance of the Fund on a full-year basis. Consequently, periodic fluctuations in non-cash working capital are not considered when evaluating the cash flows available for distribution.
- (2) Non-recurring capital expenditures pertain to a construction project which had for objective to expand square footage of the main office in Quebec City.
- (3) Distributable cash and distributable cash per unit amounts are calculated for the combined interest of the Fund's units and Non-subordinated Exchangeable LP units and Subordinated Exchangeable LP units, which total 21,366,405 as at March 29, 2008 (18,927,381 at the same date in 2007). Number of units has not been adjusted to reflect units purchased in the market in connection with the long-term incentive plan since the distributions on these units continue to be declared and paid.

During the three months ended March 29, 2008, the Fund generated \$9.8 million of adjusted distributable cash compared to \$6.4 million for the same period in 2007.

The adjusted payout ratio for the quarter is 54.5% compared to 73.4% for the same period in 2007.

Relation between capital expenditure and productive capacity

The Fund is not a capital intensive business. Capital expenditures incurred by the Fund consist mainly of expenditures pertaining to office furniture and information technology software and hardware. Although these capital expenditures are affected by a change in a number of employees, they are mainly driven by an employee's productivity maintenance objective. To reach this objective, the Fund recognized the need to ensure a stimulating work environment, enjoyable working conditions and ongoing training. Investments in capital expenditures are primarily required to maintain up-to-date technology and systems in a context of organic growth but also to upgrade to our standards the information technology software and hardware of the acquired businesses.

Long-term incentive plan ("LTIP")

On April 21, 2008, the Board of Fund Trustees and the Board of Directors decided to terminate the LTIP in accordance with its terms. The LTIP awards credited to the participants under the LTIP will continue to be subject to the time-based vesting provisions described in the LTIP as if the LTIP was never terminated.

CASH DISTRIBUTION

Since the beginning of its operations on May 2006, the Fund declared a monthly distribution of \$0.0833 per unit or \$1.00 per unit on an annualized basis.

IN THOUSANDS OF DOLLARS	3 months	
	2008	2007
	FOR THE PERIOD FROM JANUARY 1 TO MARCH 29 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO MARCH 31 (UNAUDITED)
Cash flows from operating activities	\$ 7,391	\$ 1,654
Net earnings	\$ 4,598	\$ 2,672
Non-controlling interest	\$ 3,017	\$ 1,925
Earnings before non-controlling interest	\$ 7,615	\$ 4,597
Actual cash distributions declared	\$ 5,340	\$ 4,730
Excess (shortfall) of cash flows from operating activities over cash distributions declared	\$ 2,051	(\$ 3,076)
Excess (shortfall) of earnings before non-controlling interest over cash distributions declared	\$ 2,275	(\$ 133)

Excess (shortfall) of cash flows from operating activities over cash distributions declared

Following the acquisition in January 2007 of certain assets of CDG and Kazmar (excluding receivables and costs and anticipated profits in excess of billings), cash flows from operating activities for the three-month period ended March 31, 2007,

were affected by the required investments in working capital. Bank advances were used to finance the shortfall in accordance with the credit facilities.

For the three-month period ended March 29, 2008, cash flows from operating activities exceeded cash distributions declared.

Excess (shortfall) of earnings before non-controlling interest over cash distributions declared

For the three-month period ended March 29, 2008, Earnings before non-controlling interest are higher than the cash distributions declared by \$2.3 million. It is important to note that the Fund does not use net earnings as a basis to calculate cash distributions because net earnings, in accordance with GAAP, are determined after deducting expenses which do not affect cash such as amortization of intangible assets including non-compete agreements, customer relationships and contract backlogs. As a result of GENIVAR's acquisitions over the past several years, its net earnings have been impacted by significant intangible amortization. The costs of these intangible assets are included in the purchase price but there are no future cash outflows associated with these intangible assets. If the impact of intangible amortization is excluded, Earnings before non-controlling interest exceeded cash distributions declared by \$6.0 million for the three-month period ended March 29, 2008 and by \$2.1 million for the corresponding period of 2007.

BACKLOG

As at March 29, 2008, our backlog, which represents future revenues that stem from existing signed contracts to be executed, stood at \$294.1 million. As at March 31, 2007, our backlog was \$156.4 million. On a comparative basis, this represents an increase of \$137.7 million (88.0%) of which \$57.2 million came from acquisitions completed in Q1-2008. If we consider that our field of business measures backlog in terms of months of work, we can foresee that it represents approximately 12 months of upcoming work compared to 9 months for the corresponding period of 2007.

- \$294.1 million Q1-2008
- \$207.5 million Q4-2007
- \$201.0 million Q3-2007
- \$176.7 million Q2-2007

LIQUIDITY

IN THOUSANDS OF DOLLARS	3 months	
	2008	2007
	FOR THE PERIOD FROM JANUARY 1 TO MARCH 29 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO MARCH 31 (UNAUDITED)
Cash Flows		
Cash flows from operating activities	\$ 7,391	\$ 1,654
Cash flows from financing activities	\$ 24,124	\$ 11,130
Cash flows from investing activities	(\$ 28,829)	(\$ 12,225)
Net change in cash position during the period	\$ 2,686	\$ 559
Distributions paid	(\$ 5,340)	(\$ 4,198)
Capital expenditures (including capital expenditures paid for non-recurring items in 2007)	(\$ 1,905)	(\$ 2,156)

Cash flows from operating activities

For the three-month period ended March 29, 2008, operating activities generated up to \$7.4 million in cash. Out of this amount, operations generated \$11.7 million and non-cash working capital items used \$4.3 million. The decrease in accounts receivable of \$8.1 million was offset by an increase in costs and anticipated profits in excess of billings of \$7.2 million and a decrease in accounts payable and accrued liabilities of \$5.6 million.

Accounts receivables and costs and anticipated profits in excess of billings represent approximately 106 days of annual sales, which is comparable to the previous quarters and to the industry standards for comparable businesses.

Cash flows from financing activities

For the three-month period ended March 29, 2008, financing activities generated up to \$24.1 million of cash. Out of this amount, \$30.9 million was generated by the bank advances. Finally, \$5.3 million was used to pay distributions to unitholders and \$1.3 million to pay some balances of purchase prices related to business acquisitions.

Cash flows from investing activities

For the three-month period ended March 29, 2008, investing activities used up to \$28.8 million of cash. Business acquisitions totaled \$26.9 million of this amount and capital expenditures, \$1.9 million.

Net cash position

As at March 29, 2008, the net cash position of the Fund amounted to \$(15.9) million as detailed hereafter:

IN THOUSANDS OF DOLLARS	2008	2007
	AS AT MARCH 29	AS AT DECEMBER 31
Cash and cash equivalents	\$ 15,541	\$12,855
Bank advances	(\$ 31,273)	-
Advances from the Non-controlling Unitholder	(\$ 118)	(\$ 224)
Net cash position	(\$15,850)	\$ 12,631

Bank advances were mainly used to finance the four business acquisitions completed in the first quarter of 2008.

Management believes that the cash flows are strong enough to sustain organic growth and continue to finance the distributions to unitholders through cash generated from its operations.

The Fund has credit facilities, totaling \$42.0 million (\$57.0 million since May 8, 2008), allocated as follows:

Term facility

Term facility of \$40.0 million (\$55.0 million since May 8, 2008) for operations and for the financing of acquisitions. The term facility may also be used for the payment of distributions to unitholders up to a maximum amount of \$5.0 million.

Treasury facility

Facility of \$2.0 million to hedge against interest rate risks and foreign exchange risks.

These credit facilities mature in May 2010. The term of the credit facilities can be extended each year, for an additional one-year period, subject to the prior approval of the lender. The credit facilities are fully repayable at maturity without any prepayment penalties, except for banker's acceptances and LIBOR advances.

These credit facilities are secured by a first ranking hypothec over the universality of movable assets and bear interest at prime rate, U.S. base rate or LIBOR plus an applicable margin that will vary depending on the type of advance and total consolidated debt to earnings before interest, income taxes, depreciation and amortization ratio, as defined in the agreement.

Under these credit facilities, the Fund is required, among other conditions, to respect certain covenants, which have been met as at March 29, 2008.

As at March 29, 2008, the Fund had unused credit facilities of \$8.4 million net of outstanding letters of credit of \$0.4 million and cash and cash equivalents of \$15.5 million.

On May 8, 2008, the Fund increased its credit facilities by \$15.0 million.

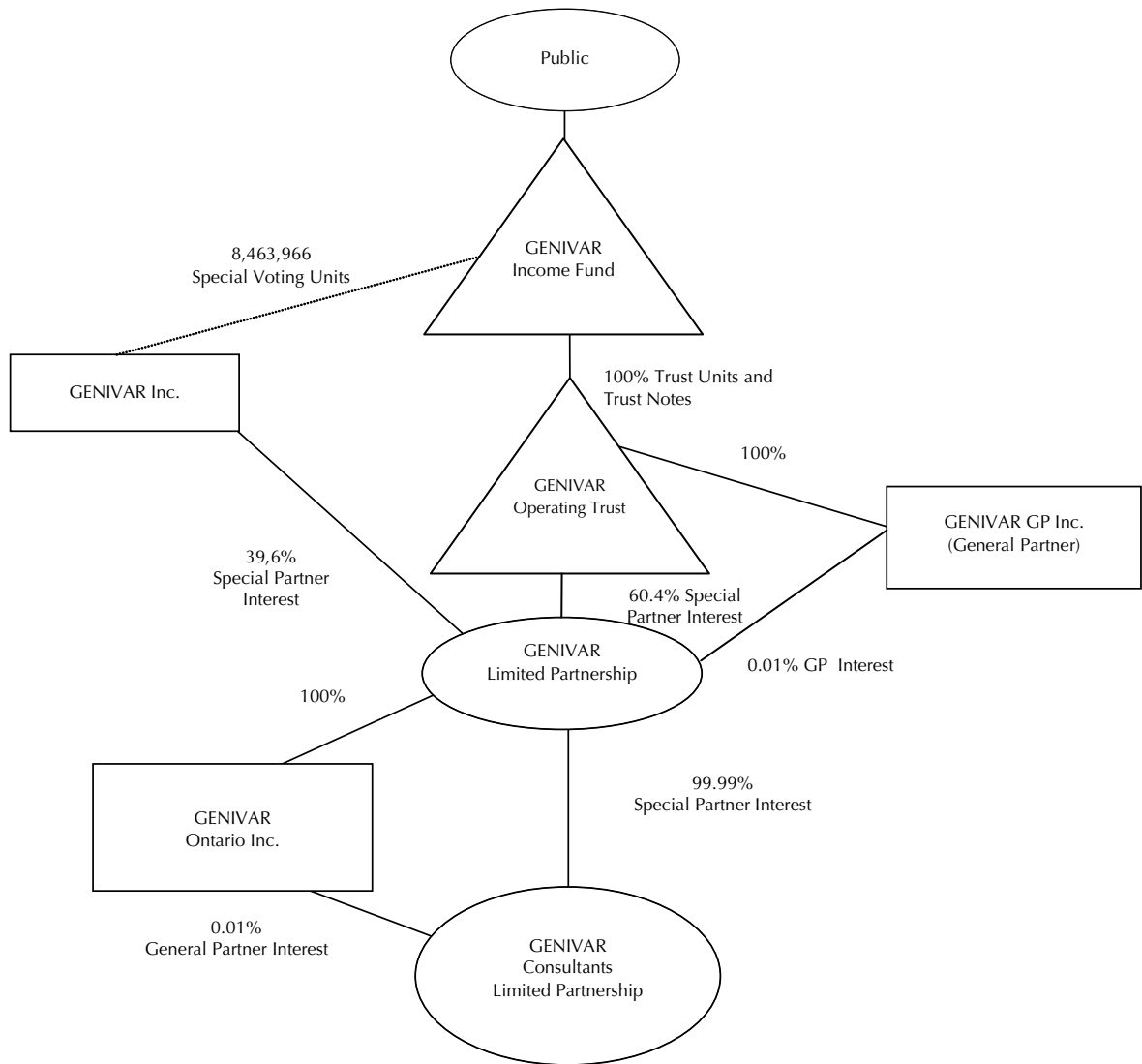
The Fund does not hold any commercial papers. Consequently, the Fund has not been affected by asset backed commercial paper.

THE FUND

The Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Quebec pursuant to the Fund's declaration of trust made as of March 31, 2006, as amended and restated on May 16, 2006. The Fund was created to indirectly acquire and hold a limited partnership interest in GENIVAR LP and all of the outstanding shares of GENIVAR GP Inc. ("GENIVAR GP"), the general partner of GENIVAR LP. GENIVAR LP has been formed to acquire, own and operate the GENIVAR Engineering Services Business. The Fund is entirely dependent upon the operations and assets of GENIVAR LP and its subsidiaries. The Fund began its operations on May 25, 2006, after the completion of an initial public offering.

On September 13, 2007, the Fund issued, pursuant to a public offering, \$50.0 million in new equity from which \$11.0 million were invested directly and indirectly by GENIVAR inc., the Non-controlling Unitholder. After this transaction, the Fund owned 12,902,439 Class A LP Units of GENIVAR LP representing a 60.4% interest (58.1% before this transaction). The Non-controlling Unitholder holds 3,732,121 Class B partnership units (the "Non-subordinated Exchangeable LP units") and 4,731,845 Class C partnership units of GENIVAR LP (the "Subordinated Exchangeable LP units"), together representing the remaining 39.6% interest in GENIVAR LP (41.9% before this transaction). The Non-subordinated Exchangeable LP units are exchangeable at any time into units on a one-for-one basis. The Subordinated LP units are exchangeable, no earlier than July 1, 2008, into units, on a one-for-one basis. In addition, the Non-controlling Unitholder holds 8,463,966 Special Voting Units of the Fund. These Special Voting Units are the only ones currently outstanding. Each Special Voting Unit will be cancelled upon the exchange of a Non-subordinated Exchangeable LP Unit or a Subordinated Exchangeable LP Unit.

The following chart illustrates, on a simplified basis, the structure of the Fund:



Certain subsidiaries, each of which represents not more than 10% of the consolidated assets and not more than 10% of the consolidated revenues of GENIVAR, and all of which, in the aggregate, represent not more than 20% of the total consolidated assets and the total consolidated revenues of GENIVAR as at March 29, 2008, have been omitted.

GOVERNANCE

Internal control over financial reporting

Internal control over financial reporting (“ICFR”) is designed to provide reasonable assurances regarding the reliability of the Fund’s financial reporting and its compliance with GAAP in its financial statements. The Chief Executive Officer and Chief Financial Officer have evaluated whether there were changes to its ICFR during the three months ended March 29, 2008, that have materially affected, or that are reasonably likely to materially affect its ICFR. No such changes were identified through their evaluation.

The Fund maintained its growth strategy through acquisitions by completing five transactions since January 1, 2008, and eleven transactions in 2007. The Fund added employees and external consultants to improve internal controls and procedures. However, the finance resources were devoting significant efforts on due diligence work and integration of acquired businesses. Delays were encountered in documenting and evaluating the design of the control procedures at the subsidiaries’ level. In the upcoming quarters, management will continue to improve internal control over financial reporting for these acquired businesses, relying, in the meantime on manual and detective controls to mitigate risks.

CRITICAL ACCOUNTING POLICIES

The Fund’s unaudited interim consolidated financial statements have been prepared in accordance with GAAP and are based on the same accounting policies as the ones used in the preparation of the Fund’s 2007 annual audited consolidated financial statements, except for the standards described below. Please refer to the Fund’s 2007 annual audited consolidated financial statements for more information about the significant accounting principles used to prepare the financial statements.

New accounting standards

On January 1, 2008, the Fund adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”).

- Section 1400, “General Standards on Financial Statement Presentation.” This standard has been amended to include requirements to assess and disclose an entity’s ability to continue as a going concern.
- Section 1535, “Capital Disclosures.” This section establishes standards for disclosing information about an entity’s capital and how it is managed. It describes the disclosure of the entity’s objectives, policies and processes for managing capital as well as summary quantitative data on the elements included in the management of capital. The section seeks to establish whether the entity has complied with capital requirements and if not, the consequences of such non-compliance.

- Section 3862, “Financial Instruments – Disclosures.” This section describes the required disclosures to evaluate the significance of financial instruments for the entity’s financial position and performance as well as the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks.
- Section 3863, “Financial Instruments – Presentation.” This section establishes standards for presentation of financial instruments and non-financial derivatives. It details the presentation of standards described in Section 3861, “Financial Instruments – Disclosure and Presentation.”

The Fund adopted these new recommendations prospectively. These sections relate to disclosure and presentation only and did not have any impacts on the Fund’s results or consolidated position.

Future accounting standards

The CICA published the new Section 3064, “Goodwill and Intangible Assets,” which replaces Section 3062, “Goodwill and Other Intangible Assets” and Section 3450, “Research and Development Costs,” which is effective for the Fund for interim and annual financial statements beginning on January 1, 2009. This section established standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The Fund has not yet completed its assessment of the effect of this new standard on its consolidated financial statements.

RELATED PARTY TRANSACTIONS

The Fund enters into transactions with GENIVAR inc., the Non-controlling Unitholder, in connection with certain business acquisitions. Generally, GENIVAR inc. acquires all of the outstanding shares of a company and sells the net assets of the acquired company to GENIVAR LP or one of its subsidiaries. The purchase price for GENIVAR LP or one of its subsidiaries is identical to the shares’ purchase price paid by GENIVAR inc., taking into account certain assets or liabilities that are not or cannot be transferred, which price has been concluded with unrelated parties. As a result, the transaction yields fiscal benefits for both the vendors and GENIVAR LP or one of its subsidiaries. The Fund acquired Transenco, RFA, Phoenix and Doucet in this manner in 2008.

The Fund entered into the following transactions with construction companies controlled by GENIVAR inc.:

IN THOUSANDS OF DOLLARS	2008	2007
	3 months	3 months
	FOR THE PERIOD FROM JANUARY 1 TO MARCH 29 (UNAUDITED)	FOR THE PERIOD FROM JANUARY 1 TO MARCH 31 (UNAUDITED)
Revenues	\$ 305	\$ 935
Costs	\$ 15	\$ 112
Marketing, general, and administrative expenses and others	\$ 34	\$ 31

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties, taking in account the fair market value of comparable goods or services.

In July 2007, GENIVAR inc. decided to exit the general contracting business. Consequently, there is a progressive diminution of transactions with construction companies controlled by GENIVAR inc.

Some administrative employees and directors of the Fund also work for the Non-controlling Unitholder, and the cost pertaining to these employees is charged to it. These services amounted to less than \$0.1 million for the three months ended March 29, 2008.

Finally, there are advances made between the Fund and the Non-controlling Unitholder. The interest rate applied is identical to the one used by the Bank. As at March 29, 2008, advances totaled \$0.1 million. Net interest expense charged to the Fund by the Non-controlling Unitholder amounted to less than \$0.1 million for the three months ended March 29, 2008.

OFF-BALANCE SHEET AGREEMENTS

There were no off-balance sheet agreements as at March 29, 2008.

CONTRACTUAL OBLIGATIONS

The following tables provide a summary of our contractual obligations.

IN THOUSANDS OF DOLLARS	Less than a year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	After 5 years	Total
Balances of sale prices payable	\$ 12,287	\$ 3,000	-	-	-	-	\$ 15,287
Long-term debt	\$ 1,690	\$ 1,444	-	-	-	-	\$ 3,134
Bank advances	-	-	\$ 31,273	-	-	-	\$ 31,273
Closing payment for acquisition completed after quarter end	\$ 4,700	\$ 300	-	-	-	-	\$ 5,000

IN THOUSANDS OF DOLLARS	2008 (9 months)	2009	2010	2011	2012	2013	Thereafter	Total
Operating lease commitments	\$ 6,717	\$ 8,417	\$ 7,099	\$ 6,623	\$ 5,711	\$ 4,480	\$ 14,348	\$ 53,395

SUBSEQUENT EVENT

On May 5, 2008, the Fund acquired all the assets and liabilities of Doucet & Associés Conseils (Québec), a Quebec-based telecommunications and utilities infrastructure engineering-consulting firm, for a consideration of \$5 million.

RISK FACTORS

The results of operations, business prospects and the financial condition of the Fund are subject to a number of risks and uncertainties and are affected by a number of factors outside of our control. This may cause a decline of the price of the Units and our ability to make distributions on the Units could be adversely affected.

The Fund's risks and uncertainties have not materially changed from those described in the Fund's 2007 Annual Report.

GLOSSARY

Net revenues

Net revenues are defined as revenues from consulting services less direct costs for subconsultants and other direct expenses that are recoverable directly from our clients. Net revenues are not a measure in accordance with GAAP and do not have standardized meaning prescribed by GAAP. Therefore, net revenues may not be comparable to similar measures presented by other issuers. Investors are cautioned that net revenues should not be construed as an alternative to revenues for the period (as determined in accordance with GAAP), as an indicator of the Fund's performance.

EBITDA

EBITDA is defined as earnings before interest, tax, depreciation, and amortization. EBITDA is not an earnings measure in accordance with GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, EBITDA may not be comparable to similar measures presented by other issuers.

Distributable cash

Distributable cash is calculated in accordance with the recommendations provided in CICA's publication "Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities." Standardized distributable cash is defined as cash flows from operating activities as reported in the GAAP financial statements, including the effects of changes in non-cash working capital items and any operating cash flows provided from or used in discontinued operations, less adjustments for:

- (a) total capital expenditures as reported in the GAAP financial statements; and
- (b) restrictions on distributions arising from compliance with financial covenants restrictive at the date of the calculation of standardized distributable cash and limitations arising from the existence of a minority interest in a subsidiary.

The Fund also calculated an adjusted distributable cash, which is defined as standardized distributable cash adjusted for entity-specific adjustment items that management believes are appropriate for the determination of levels of distributions.

Payout ratio

Standardized payout ratio is defined as aggregate cash distributions divided by standardized distributable cash. Adjusted payout ratio is defined as aggregate cash distributions divided by adjusted distributable cash.