2012 ANNUAL REPORT

COMBINED STRENGTH

PROMISING FUTURE

TOGETHER WSP AND GENIVAR HAVE BECOME ONE OF THE WORLD'S LEADING PROFESSIONAL SERVICES FIRMS.

TOGETHER WE HAVE A CLEAR STRATEGY FOR GROWTH, SUPPORTED BY A GLOBAL MINDSET AND SHARED VISION AND VALUES.

FINANCIAL AND OPERATING HIGHLIGHTS

IN MILLIONS OF DOLLARS, EXCEPT PER SHARE DATA	2012 without Unusual Items* FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31	2012 FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31	2011 FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31
FINANCIAL HIGHLIGHTS			
Revenues	**$1,257.5**	$1,257.5	$651.9
Net revenues**	**$1,020.1**	$1,020.1	$529.0
EBITDA**	**$125.4**	$108.6	$89.7
EBITDA per share**	**$3.11**	$2.69	$3.42
Net earnings		$46.3	$50.1
Basic and diluted net earnings per share		$1.15	$1.91
Adjusted net earnings**	**$61.4**		$42.9
Adjusted net earnings per share**	**$1.52**		$1.64
FINANCIAL POSITION			
Total assets		$1,812.0	$726.0
Financial liabilities (1)		$254.8	$74.3
Less: Cash and cash equivalents		($127.7)	($144.0)
Net debt (cash)		$127.1	($69.7)
FUNDS FROM OPERATIONS AND FREE CASH FLOW			
Cash flows from operating activities	**$109.1**	$96.0	$72.4
Excluding: Change in non-cash working capital items	**$0.1**	($3.6)	($4.6)
Funds from operations**	**$109.2**	$92.4	$67.8
Funds from operations per share**	**$2.71**	$2.29	$2.58
Less: Change in non-cash working capital items	**($0.1)**	$3.6	$4.6
Capital expenditures	**($19.6)**	($19.6)	($12.4)
Free cash flow**	**$89.5**	$76.4	$60.0
Free cash flow per share**	**$2.22**	$1.90	$2.29

* The financial results are presented before the impact of Unusual Items, as explained in the "WSP Transaction Summary" section of the Management's Discussion and Analysis.
** Non-IFRS measures are described in the "Glossary" section of the Management's Discussion and Analysis.

(1) Financial liabilities consist of a loan payable, notes payable, balances payable to former shareholders, obligations under finance leases, other obligations and long-term debts, including current portions, bank overdraft and bank advances.

NON-IFRS MEASURES
The Company uses non-IFRS measures that are considered by companies as indicators of financial performance measures which are not recognized under IFRS and may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable. It believes these measures provide useful supplemental information that may assist investors in assessing an investment in the Company's shares.

Non-IFRS measures used by the Company are net revenues, EBITDA, EBITDA per share, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, income tax expenses per share, adjusted net earnings, adjusted net earnings per share, funds from operations, funds from operations per share, free cash flow, and free cash flow per share. These measures are defined at the end of the Management's Discussion and Analysis in the "Glossary" section.

+92.9%

INCREASE IN REVENUES

$1,257.5M

REVENUES

+92.8%

INCREASE IN NET REVENUES

$1,020.1M

NET REVENUES

+39.8%

EBITDA INCREASE

without Unusual Items

$125.4M

EBITDA

without Unusual Items

COMBINING OUR FUTURES

“THIS WAS A MERGER OF CHOICE FOR BOTH COMPANIES, SOMETHING WE TOOK ON BECAUSE WE BELIEVED IT WOULD ENRICH OUR ABILITY TO SERVE OUR CLIENTS AND OUR EMPLOYEES’ CAREERS. APART, WE WOULD HAVE CONTINUED TO BE SUCCESSFUL FIRMS, BUT TOGETHER WE CAN BECOME SOMETHING MUCH MORE.”

CHRISTOPHER COLE, EXECUTIVE CHAIRMAN OF THE BOARD
PIERRE SHOIRY, PRESIDENT AND CEO

EXECUTIVE CHAIRMAN'S MESSAGE

CHRISTOPHER COLE

Dear Shareholders,

It is a great privilege for me to address you as the new Executive Chairman of what is now one of the world's leading multidisciplinary professional services consulting companies following WSP and GENIVAR's merger in August 2012.

Our President and CEO, Pierre Shoiry, and I have been delighted by the positive response of shareholders, staff and clients to the merger, which combined GENIVAR's strong Canadian presence and specific involvement in major sectors with WSP's global reach and broad multidisciplinary experience. The transaction has provided a platform that will ensure increased diversification, global opportunities and resilience in the future. We have made a positive start in the area of integration and are pleased to report solid financial performance in 2012, in line with the Board's expectations, despite the continuing challenges of world market conditions.

A COMPELLING TRANSACTION

The reasons for WSP and GENIVAR's merger were compelling. Responding to the trend towards consolidation in our sector, we brought together two successful and ambitious companies with complementary strategies, positioning for diversified global growth and delivering to a wide range of sectors with worldwide skills but minimal geographic or client overlap. This transaction led to the creation of a global consultancy with a workforce of approximately 15,000 employees, with offices on every continent. Leveraging our increased access to global clients and international projects and a higher level of market recognition and penetration, we can now compete with the largest companies in our sector.

In this ever-changing world and in an increasingly consolidated market, we are much stronger together than we would be individually. In our combined form, we can capitalize on the global landscape and the different sectors we work across while sharing and presenting the best skills and experience and delivering best practices, not only technically but also commercially. This will help us to meet our clients' changing requirements. It will also enhance our ability to bid on and deliver large international projects and to match the profiles of our growing list of global clients. We recognize that our underlying strength is in the performance of our regional businesses, delivering services locally and engaging the global reach of the enlarged Company when appropriate. Our management team continues to focus on organic growth and improved efficiency while seeking wider international opportunities that are now available to the Company.

The rationale for the merger was underpinned by the very positive response from management and staff, who are clearly excited by their career prospects and by the increased range of services and geographical coverage we can offer to clients. I am indebted to Pierre Shoiry and Alexandre L'Heureux for their hard work, drive and vision in helping me to carry out the transaction and to foster continued integration and synergies aimed at creating shareholder value.

MY ROLE AS EXECUTIVE CHAIRMAN

I take immense pride in having led WSP for many years. As Executive Chairman, I will continue to be actively involved in WSP and GENIVAR's development. GENIVAR's current Board, which has served the Company well for so long, must now evolve to address the Company's new needs, ambitions and activities, both locally and internationally. Accordingly, we will be appointing new directors with relevant and complementary profiles, looking in particular to bring in international and human capital expertise and to introduce female board members.

It is vital that we recognize and celebrate our people's different cultures with a view to sharing the same values and vision across the expanded Company.

I will continue to oversee the development of the Board, to ensure that it remains aligned with the Company's goals and continues to provide an environment that promotes balanced challenge and counsel to the Company's senior executives and leaders, both operationally and strategically. I will also ensure that there is continued vigilance, attendance and, where necessary, reinforcement of our committees to ensure that we uphold the highest standards in all aspects of regulatory compliance. In addition, we are committed to rigorously maintaining the highest ethical standards in all aspects of our operations. As stated in the past, we do not tolerate any improper business practices and are committed to ethical business conduct in all that we do.

At this point, it is appropriate for me to thank my predecessor, Richard Bélanger, for his valued contributions and chairmanship over the past 2 years. I am very pleased that Richard will remain on the Board as our leading independent director, thereby bringing us the benefits of his counsel and support.

MANAGEMENT AND STRATEGIC SUPPORT

Drawing on my knowledge of the industry and its international dynamics gained during my many years leading WSP, I am pleased to be able to provide guidance to the Executive Management team, comprised of Rikard Appelgren, Paul Dollin, Alexandre L'Heureux and Marc Rivard, under the leadership of Pierre Shoiry, and also to the broader leadership team.

There are many aspects to integrating two major professional services consulting companies. An initial focus of the Executive Management team has been the alignment of essential Company functions such as finance, tax, information technology and communications. This work is already well advanced. At the same time, we are moving forward with our cost and revenue synergies agenda, together with the equally important issue of cultural integration and communications. It is vital that we recognize and celebrate our people's different cultures with a view to sharing the same values and vision across the expanded Company. Our objective is to learn from each other's strengths across the combined entity while mitigating risk.

The Executive Management team has also devoted much effort to developing our 2013-2015 strategic plan, which will provide the Board and all stakeholders with information on our strategic direction, priorities and performance expectations.

The merger gives us the opportunity to develop our Global Client Management program as a unique part of our strategy, with the aim of becoming the advisor of choice for global clients. As the trend towards global procurement accelerates, we are well placed to underpin our organic growth by supporting clients on their projects around the world.

My leadership of WSP was characterized by my absolute focus on client relationships, and I intend to continue to relentlessly reinforce the culture of excellent client care and development within the combined firm. As in the past, I will lead by example while actively supporting activities with our clients as appropriate.

OUR PEOPLE

We are a company of 15,000 people who have recently joined forces, and I appreciate their support for and confidence in the merger. We are fortunate to have so many dedicated professionals who are proud to be part of the new combined entity. They provide us with a significant pool of talent to draw on as we deliver best practices in every aspect of our business. We look forward to the opportunities and challenges of presenting our skills and experience to the widest audience in an increasingly competitive and consolidated market. We are committed to supporting our staff in developing their careers and offering them increased opportunities to work on iconic projects worldwide. I extend my thanks to all our management and staff for their hard work and support.

LOOKING FORWARD

We enter 2013 with an increasingly integrated team and shared objectives. We are committed to achieving success on various fronts, including achieving organic growth and improving operational and financial performance. At the same time, we remain attuned to acquisition opportunities that will reinforce our model and position us as a world-leading professional services consulting company. Together with our management team, I look forward to 2013 with confidence, supported by our continued alignment with the markets in which we work, our drive for improved performance, our strong balance sheet and the gradual rollout of our strategic plan, which is a stepping stone on the journey to achieving our ambitions in the world market.

As a last word, I would like to extend a special word of appreciation to our Board of Directors and shareholders for their continued support and confidence in our Company and its future.

Sincerely,

Christopher Cole
Executive Chairman of the Board

QUESTION AND ANSWER SESSION

PIERRE SHOIRY, PRESIDENT AND CHIEF EXECUTIVE OFFICER

2012 WAS A TRANSFORMATIONAL YEAR FOR GENIVAR AS WE MERGED WITH WSP. THE NEW COMBINED ENTITY PROVIDES A GLOBAL PLATFORM FOR CONTINUED DEVELOPMENT AND GROWTH. WE MADE SIGNIFICANT PROGRESS TOWARD MEETING OUR GOAL OF BECOMING A LEADING GLOBAL PLAYER IN OUR INDUSTRY AND AS A RESULT OF THIS TRANSACTION, WE BELIEVE WE ARE WELL-POSITIONED TO MAXIMIZE FUTURE OPPORTUNITIES AND CREATE LONG-TERM VALUE FOR OUR SHAREHOLDERS.

HOWEVER, AS PROUD AS WE ARE OF OUR PAST FEW YEARS' ACHIEVEMENTS, OUR STAKEHOLDERS CARE MOST ABOUT OUR FUTURE. PIERRE SHOIRY, PRESIDENT AND CHIEF EXECUTIVE OFFICER, IS PLEASED TO ADDRESS QUESTIONS ON THE COMPANY AND WHAT THE FUTURE HOLDS.

Q CAN YOU DISCUSS THE HIGHLIGHTS OF THIS LANDMARK YEAR?

A One could certainly say that 2012 was an eventful year! Our transaction with WSP was completed on August 1st, when we started to operate as a combined entity.

As the cover of this report clearly states, joining forces has created a dynamic new organisation focused on delivering the best solutions to our clients. Together, we offer a stronger business with more diversified expertise and a global presence on all continents. Although WSP and GENIVAR largely operate in the same sectors, our services and geographical strengths are complementary. By joining forces, we have considerably expanded our geographic diversification and broadened our collective offering.

As a result, we are now the 6th largest pure play provider of engineering and related professional services in the world and are among the top three leaders in the Buildings sector.

Our strategic highlights in 2012 also included a number of other acquisitions that provided us with international expansion in South America and market consolidation in Canada, including CRA, a civil engineering, environment, energy and telecommunications firm based in Bogotá, Colombia; Smith Carter Architects and Engineers Inc., headquartered in Manitoba; and GRB Engineering Ltd., an Alberta-based oil and gas firm.

Q CAN YOU PROVIDE AN UPDATE ON THE PROGRESS OF GENIVAR AND WSP'S INTEGRATION AT THE END OF 2012?

A While the transaction closed only eight months ago, we have made tremendous operational and organisational progress in this period of time, allowing us to maximize communications throughout the firm, set up the financial reporting structure, benchmark operations worldwide and assess systems and information technology infrastructure.

As the transaction closed, we put joint integration teams in place and are developing and refining key processes and activities as well as optimizing cost and revenue synergies. We are laying solid foundations that we need to pursue our growth strategy together.

The complementarity of our businesses provided for limited overlap of our management teams, resulting in very few changes to both of our leadership teams and seamless continuity in our respective operations. I am pleased to lead a very talented and engaged leadership team and to report a strong retention of our workforce to date.

Q HOW WOULD YOU DESCRIBE THE COMPANY'S FINANCIAL PERFORMANCE IN 2012?

A Our financial performance in 2012 was solid despite challenging conditions in a few of our markets.

The two original firms were built on a simple, foundational principle: clients first. This remains one of our core values and it is what drives us all.

Our Canadian performance was below expectations with relatively flat organic growth and reduced margins, attributable to a decrease in public spending in a number of provinces, a more competitive environment in certain markets and some project execution issues. Despite this, as a result of the transaction with WSP, our net revenues hit a record high of $1,020.1 million and we had net EBITDA pre-Unusual Items of $125.4 million.

Without Unusual Items, funds from operations remained strong at $109.2 million, while free cash flow was $89.5 million for 2012. In a professional services firm like ours, cash management is an important metric and our strong cash generation allowed us to reward our shareholders with an aggregate dividend of $1.50 per share.

As we have always done, we maintained a very strong balance sheet throughout the transaction with WSP. The total value of the transaction was $437.6 million, achieved principally through a private placement and a public offering of $422.1 million. At the end of the fiscal year, our net debt was $127.1 million and our net debt to EBITDA ratio was 0.8x.

Q CAN YOU COMMENT ON THE REALIZATION OF THE FINANCIAL BENEFITS EXPECTED FROM THE TRANSACTION?

A I am pleased to report that we are on track to deliver on the financial commitments we announced at the beginning of the transaction. We are putting in place plans to improve operational efficiencies and to generate revenue synergies and have already started to reap those benefits. Since August, our global revenue synergy team has already responded to many global opportunities. Integration activities designed to enhance financial benefits are progressing according to plan, and we are satisfied with what we have accomplished to date. More than ever, we believe that this acquisition was timely and is immediately accretive to our shareholders and will be even more so in the future, pending an economic recovery.

Q YOU OFTEN REFER TO YOUR EMPLOYEES AS YOUR GREATEST ASSET IN THE PROFESSIONAL SERVICES YOU OFFER. HOW DO YOU SEE THEIR CONTRIBUTIONS TO THE SUCCESS OF THE TRANSACTION?

A In large measure, our performance and potential for growth lies in our people and their ideas. The ongoing integration of WSP and GENIVAR would not be possible without the dedication of our employees around the world, and I thank them for their extraordinary efforts over the past few months. We are open to diversification and to new ideas, to forging new teams and above all remain steadfastly focused on our clients. As a result, we are already beginning to see the impact of our efforts. In addition, we believe our employees have been given great personal opportunities for international connections, project development and an even more fulfilling work environment.

As I travelled to many of our offices in the past few months, I was struck by the energy, technical skills and creativity of our employees as they work together and with clients to find the right solutions. This dedication to our clients does not surprise me. From the outset, even before the hard work of integration began, one thing was clear. The two original firms were built on a simple, foundational principle: clients first. This remains one of our core values and it is what drives us all.

Q HOW DO YOU INTEND TO KEEP MOTIVATING YOUR EMPLOYEES THROUGHOUT ALL OF THE CHANGES TAKING PLACE?

A We believe that in a professional services firm, human resources needs to be a truly strategic priority. Our values around empowerment and autonomy are shared by our firms. Even before the transaction, both companies were attuned to their employees' aspirations. As we move forward, this key feature will ensure the transaction's success while enhancing our employees' sense of fulfillment. We recently undertook our regular initiative to measure employee engagement with a view to continuously improving our understanding of our employees' perceptions and enhancing our work environment, processes and human resources management. Results were very positive, indicating that employee engagement has steadily progressed over the last four years and is now situated in the "high engagement zone". We very much look forward to acting on the opportunities stemming from this survey.

Q GIVEN THE GLOBAL REACH ACHIEVED THROUGH THE TRANSACTION, YOUR COMPANY IS NOW A PLAYER IN AN EVEN MORE COMPLEX MARKET. HOW ARE YOU ADAPTING TO THAT?

A While regulatory environments and commercial issues vary from country to country, the overall fundamentals of our industry and the delivery of our services are very similar on a global basis. We are in an era of collaboration and convergence and our focus on communication is creating a bridge which enables our people to share knowledge, best practices and resources.

I believe the current environment demands new insights to help companies successfully emerge from a challenging economy and respond to globalization and sustainability demands—insights that our experts deliver every day.

We are a company that responds well to global change and complexity by intensifying our understanding of issues and creating better solutions for our clients. We aim at being a thought leader in the areas of buildings, transportation, industrial and energy, environment and infrastructure.

We have a keen grasp of our clients' projects and risk issues, and we understand how these projects are influenced by an organisation's business strategy, financial performance and the broader economy. Due to the current state of the global economy, we know that the years ahead will present challenges that will require new perspectives and carefully considered solutions. Even as we look toward recovery, our clients remain focused on improving efficiency without adding to their costs. They want to manage their budgets more effectively and create more efficient projects in perfect harmony with their environment. They are committed to their communities and want to contribute to the overall well-being of their fellow citizens. They also want to control and gain a better understanding of their risks. This is where we bring real-world ideas and value added to our clients.

Q CAN YOU REASSURE US ON YOUR POSITION IN RELATION TO BUSINESS ETHICS IN THE INDUSTRY?

A Maintaining high integrity standards and public trust are the cornerstones of our company values. In our line of business, we need to embed in day-to-day activities a behaviour that is worthy of people's trust. We strive to be authentic, transparent, communicate clearly and do what we say we are going to do.

As we have stated in the past, we take compliance with all laws very seriously and are committed to ethical business conduct in everything we do. In keeping with the requirements of the Company's global growth, we nominated a Chief Risk and Ethics Officer in the first quarter of 2013. I am pleased to have this opportunity to reiterate our commitment to ensuring the ethical practices of our employees and continuing to build and sustain the trust of our shareholders and clients.

Q HOW DOES YOUR ACQUISITION STRATEGY STAND GOING FORWARD, GIVEN THE MAJOR TRANSACTION YOU COMPLETED IN 2012?

A We intend to focus in the immediate term on integration, margin improvement and organic growth. However, we believe that the consolidation trend in the industry will continue and we will analyze opportunities which may arise and which could help us strengthen geographically or deepen our expertise.

Q WHAT ARE YOUR PRIORITIES FOR 2013?

A As I just mentioned, our top priorities will be integration, organic growth and margin improvement. We will continue the integration of our corporate support services and focus on client strategies and cross-selling to generate additional revenues while bringing together standards, best practices and operational efficiencies with the goal of improving our operational margins. We will focus on providing our employees with the opportunity to work on the most challenging projects, to create an environment of opportunity and career development. This transaction was a logical next step in the evolution of both organisations.

STRATEGIC ACQUISITIONS AND PARTNERSHIPS

JANUARY

Consultores Regionales Asociados - CRA S.A.S. ("CRA")
Civil engineering, energy, environment and telecommunications
Bogotá, Colombia

FEBRUARY

Les Investissements R.J. Inc.
Mechanical and electrical engineering
Quebec, Canada

GRB Engineering Ltd.
Oil and Gas
Calgary, Canada

MARCH

Smith Carter Architects and Engineers Inc. and Smith Carter (USA) LLC
Architecture and engineering
Winnipeg, Canada

JUNE

North 46 Architecture Inc.
Architecture
Charlottetown, Canada

AUGUST

WSP Group PLC
Multidisciplinary professional services
London, United Kingdom

In 2013, we will also be starting the implementation of our three-year strategic plan and setting the goals and ambitions for our Company in 2015. Finally, our priority is also to ensure that our shareholders are rewarded for the support that they have demonstrated over the years by aligning our actions with the long-term interests of our investors.

Q WHAT IS YOUR FINANCIAL STRATEGY AS REGARDS INVESTMENT?

A Our investments relate to three items: capital expenditures, working capital and acquisitions. Our capital expenses are mainly used for IT infrastructure and systems, and our strategy is centered on providing our people with the tools and systems needed for quality technical delivery and efficient management. Funding working capital is a great investment only when supporting organic growth. Our strategy is aligned around this goal as well as constant working capital reduction when possible. Finally, we have a solid and proven track record of investments in acquisitions that fit our criteria: quality successful firms that are complementary and share our vision.

Thanks to the transaction with WSP, we completed the year as a more geographically diverse company, while maintaining the financial stability that has become our hallmark. It is this discipline that will allow us to explore additional opportunities moving forward, while emphasizing prudent stewardship of the financial resources entrusted to us by our shareholders. Our investment guidelines and profile are clear: we strive for profitable and accretive growth.

Q HOW LONG DO YOU BELIEVE YOU WILL BE ABLE TO SUSTAIN FINANCIAL GROWTH?

A I believe that we are well-positioned for sustained growth over the long-term. Indeed, the long-term growth prospects of our industry are good and the fundamentals are solid.

Infrastructure needs are huge in industrialized countries and more so in emerging markets. Resource-driven investments in mining and metals as well as hydrocarbons and energy are significant and growing. Furthermore, environmental regulatory constraints and social acceptability of projects are providing increased opportunities for our services, while climate change issues and sustainability create the need for innovation in the way we approach project delivery.

We believe that these drivers will sustain the growth of our business, as will recovery of the economy in the United States and the United Kingdom in particular. The development and expansion of our key global account strategy, the cross-selling of our services to existing clients and the leveraging of our global centres of excellence will drive organic growth throughout our network of offices. In addition, as an experienced consolidator, we intend to pursue our acquisition strategy to reinforce our position in specific markets and regions.

Q WHAT IS THE BIGGEST RISK YOU SEE TO BUILDING LONG-TERM SHAREHOLDER VALUE?

A One of the risks is associated with the time period in which a company seeks to generate value. Taking shortcuts to create value for the current quarter at the expense of the full year, or five years down the road, diminishes a company's long-term value. Striking a balance between short-term quarterly targets and long-term objectives is certainly a major challenge in building a leading global professional services firm. Shaping a people-based company around solid values and creating a culture that cements people towards common objectives takes energy, constant communications and time. Putting in place processes and communication channels to improve opportunities and efficiencies needs time. Creating revenue synergies and leveraging client relationships need planning and trust building.

Our strategies are based on a long-term game plan. We also know how to execute when we hit a stretch that lets us build on our momentum. We believe that with the current integration process, that is precisely where we are right now. We know what we need to do to maximize performance and stay on track with our game plan.

Q IS THERE ANYTHING YOU WOULD LIKE TO ADD BEFORE WE CONCLUDE?

A This is an exciting time for our Company as we are well-positioned to realize the synergies of our strategic transaction with WSP. We are also poised to reap the benefits of our time-honoured strategy, our expertise and the strength of our team. As we move into this new phase of our history and build on the momentum created in 2012, I am confident that we will have many opportunities in the years ahead to shape a unique global organisation and generate sustainable value for all of our stakeholders.

I am grateful for our clients' trust, our employees' commitment and our market's response. I am excited about our future. We have a solid company and the capacity to deliver. We have good short and long-term growth prospects and we are converting opportunities into value.

We are all very grateful to our Board of Directors for its continued support and to our shareholders for their unwavering trust. I very much look forward to staying in touch with you regarding our performance in 2013 and beyond.

Pierre Shoiry
President and Chief Executive Officer

COMBINING OUR TALENTS

AS ALWAYS, OUR EMPLOYEES' SKILL AND DEDICATION WERE VITAL TO WHAT WE ACCOMPLISHED THIS YEAR. OUR PEOPLE EXEMPLIFY OUR BEST ATTRIBUTES EVERY DAY, INCLUDING AN UNWAVERING COMMITMENT TO CLIENTS, FELLOW EMPLOYEES, LOCAL COMMUNITIES AND THE ENVIRONMENT.

HUMAN RESOURCES

AS A PROFESSIONAL SERVICES COMPANY, OUR EMPLOYEES' KNOWLEDGE, TALENT AND DEDICATION ARE OUR MOST VALUABLE ASSETS. OUR CULTURE AND PROGRAMS ENCOURAGE ATTRACTION AND RETENTION OF TALENTED, MOTIVATED AND PRODUCTIVE EMPLOYEES.

OLIVIER JOYAL

REGIONAL DIRECTOR WESTERN QUEBEC – ENVIRONMENT (CANADA)

"As part of Montreal's Environment group since there were only eight in the team and having seen it grow to over 200 employees, I can testify that within our Company, the only limit is yourself! Our growth has been accomplished through incredible teamwork and we have a particular strength in recognising potential in young, dynamic employees and consequently enabling them to make the most of interesting opportunities. Communication is of the utmost importance as we have considered our growth and interoffice synergies, as are our interpersonal relationships and, perhaps most of all, enjoying what we do!"

SARAH KEIKO LEILANI FERGUSON

ENVIRONMENTAL ENGINEER (AUSTRALIA)
2012 GLOBAL STAFF AWARD WINNER UNDER THE CATEGORY "PRIDE & PASSION"

"I am lucky enough to serve on the Australia/New Zealand section of Taskforce, which is a group of early career professionals brought together to improve business performance through knowledge sharing and strategic thinking. Our 2012 regional task was to look into improving staff engagement and improving and enabling resource sharing, and our global task was the organisation of a worldwide virtual meeting of early career professionals in partnership with all the Taskforce groups worldwide. Working with Taskforce is a rewarding experience, enriching my career path and network through interaction with a wide variety of dynamic professionals and the chance to address strategic issues as a team."

NICK PRYCE

MANAGER, URBAN & RURAL PLANNING – ALBERTA (CANADA)

"A few months ago I moved from Nova Scotia to Alberta as our Planning team expanded services in urban and rural planning out West. It's very exciting to have this opportunity and recently I was joined by another Atlantic planning colleague, Scott Fash. One thing that has really struck me since the move is our collaborative work within the Company: tools such as Lync really give a boost to our capacity to communicate, particularly for our complex, multidisciplinary projects. There are numerous interesting shifts happening in the planning profession that will affect our future. Having this new geographic network will help us be at the forefront of change!"

KRISTINA JENSEN

GLOBAL CONNECTIVITY MANAGER

"I am Global Connectivity Manager and a member of the Global Growth Team, a team that assists in the smooth running of our Global Client Management program and a variety of international activities between regions. Following the merger I am spending some of my time in Canada getting to know the Canadian operations, with a view to aligning business communications and collaborations in the combined Company for the benefit of our clients. Through our passion for global connectivity and knowledge-sharing, we aim to provide our clients with a globally connected and seamless service across all our areas of expertise and in all relevant geographies."

RAMA SATYAVANI

PUBLIC HEALTH ENGINEER, DEPUTY GENERAL MANAGER AT THE INDIA CRC DIVISION (COMPLEMENTARY RESOURCE CENTRE)

"India's first Taskforce is formed of seven people of different grades and disciplines from Mumbai, Bangalore and Delhi. It's a fantastic opportunity for us to develop our skills with our colleagues in India and the wider global community of WSP and GENIVAR. Not only will we benefit from sharing knowledge and experience between our different disciplines, but we'll also have the satisfaction of working on strategic research projects which, if implemented, could result in demonstrable value to the business."

GURMINDER SINGH SAGOO

HEAD OF BUSINESS DEVELOPMENT & MARKETING (MIDDLE EAST)

"Travelling is in my genes! Sitting on my grandmother's knee, I would hear stories of India, East Africa... When the opportunity came up a couple of years ago to move from the UK with my family to work for the Company in the Middle East, I was delighted. As well as a friendly welcome and the rich cultural experience, my personal development has been furthered as I have expanded my role from supporting one market segment in the UK to covering the breadth of our expertise in the Middle East. In terms of the success of my move, I feel that the Company's strength and my own interest in communications between regions and connectivity have been essential."

DANIELA YEN CHONG

MECHANICAL EIT (CANADA)

"I had a positive experience transferring with the Company from Trinidad to a position in Timmins in northeastern Ontario, Canada. It was quite a move for myself and my family but I had great support, understanding and guidance from the HR team. The move has enabled me to meet several personal and career objectives, including the widening of my professional experience to heating design (cooling systems were more called for in Trinidad!), the chance to take part in some enriching interoffice projects and also an introduction to some interesting renewable energy technologies."

KAREN STONE

HEAD OF LEARNING & DEVELOPMENT (UK)

"We're passionate about supporting the Company's strategic objectives through designing and developing appropriate Learning & Development solutions for our people in order to grow and release our talent into the business. Within our culture of empowerment, employees take responsibility for keeping up with the latest knowledge and we want to provide them with easy access to learning materials, tools and connections available via our online university. Through our various initiatives such as the UK Developing Leadership two-day course and the new structured graduate training program, our aim is to provide pragmatic tools, skills and ways of thinking that individuals can practice and apply in their roles and daily tasks."

PER ÅNGQUIST

BUSINESS DEVELOPMENT DIRECTOR (SWEDEN)

"During 2012, I was fortunate enough to be part of the Company's mentoring program, with Tom Smith, Director, Global Growth as my mentor. In my business development role, I believe it is very useful on a professional and personal level to be able to discuss ideas and challenges with someone with such extensive company and industry expertise. Whilst we are not based in the same office, we met face-to-face at the beginning of the year to set our mentoring objectives and then kept in touch on a more informal basis. Tom's help has been key in adjusting client programs to our region and he has also shared his wide industry network with me."

ENVIRONMENT, HEALTH AND SAFETY

WE BELIEVE THAT GOOD SAFETY PERFORMANCE IS ABOUT MORE THAN JUST REGULATIONS. IT IS ABOUT CREATING A CULTURE IN WHICH EVERYONE TAKES PERSONAL RESPONSIBILITY FOR THEMSELVES AND THE PEOPLE AROUND THEM.

JACQUES ANGERS

NATIONAL DIRECTOR OF HEALTH, SAFETY AND ENVIRONMENT (CANADA)

"Once again, our Canadian division had an excellent year in statistical terms, with a remarkable improvement in both the frequency and severity of the incidents reported. These results will enable us to submit a conclusive qualification statement to our clients as we maintain our position among the best large firms in our operating sector.

In 2012, the Company moved its various Environment, Health and Safety (EHS) teams in Canada under a single nationwide department. In addition to standardizing our approach, this change enabled us to increase the percentage of trained staff and to begin to acquire and develop new communication/training tools. An online training system by job title and an accident management software application are among the innovations that we will be adapting and making available in 2013.

We are proud of these results and the steady progress we have made. We intend to stay the course in order to keep on meeting our clients' expectations and our employees' needs."

KEITH GREEN

SENIOR PROJECT DIRECTOR (USA)

"As consultants, our most important asset is our employees. Keeping our employees and those with whom we interact safe is the most important thing we can do.

Our approach is to communicate effectively on a regional and global level to share the rich mixture of approaches and continuously update and strengthen our Health and Safety (H&S) programs. For example, representatives from our 11 offices in our US practice keep in contact through monthly communications to discuss programs, training updates and monitor success. On a global scale, each of our world regions has much to learn from the others, as we prepare employees to consider the same issues: environmental protection, chemical and physical hazards, predicting evolutions in site conditions and the outdoor working environment – to name but a few.

In H&S we are always looking to be at the forefront of best practices and in 2013 we will continue to see a major focus on H&S practices in our qualification procedures with clients."

SUSTAINABLE DEVELOPMENT

SOME PEOPLE THINK OF RESPONSIBILITIES TOWARD OUR ENVIRONMENT AND COMMUNITIES AS OBLIGATIONS, AND THEY ARE, BUT WE ALSO SEE THEM AS OPPORTUNITIES TO LEVERAGE OUR TALENT AND MAKE OUR COMPANY BETTER.

JANICE TAN

PRINCIPAL CONSULTANT - SUSTAINABILITY (MIDDLE EAST)

"Our sustainability mission is to 'restore the natural environment, transform the built environment, decarbonize, waste nothing and enrich people's lives'. As part of our Global Sustainability Program, representatives from all regions take part in monthly calls to discuss strategies under the leadership of Paul Toyne, Head of Sustainability. We are devoted to embedding sustainability into the technical solutions we provide and we aim to equip our employees with the necessary expertise through various professional development and training initiatives.

Our commitment to sustainability also means that both senior management and employees will have sustainability-related key performance indicators that are tailored to each person's role. Our Sustainability Standards also provide a framework for our sustainability activity at all levels. In the Middle East region, we are in the process of implementing the Silver Sustainability Standard, with our sights set on meeting the Gold Sustainability Standard by 2015!"

JEAN-BENOIT FOURNIER

PROJECT MANAGER, ENVIRONMENT (INTERNATIONAL)
NATIONAL SUSTAINABLE DEVELOPMENT COORDINATOR (CANADA)

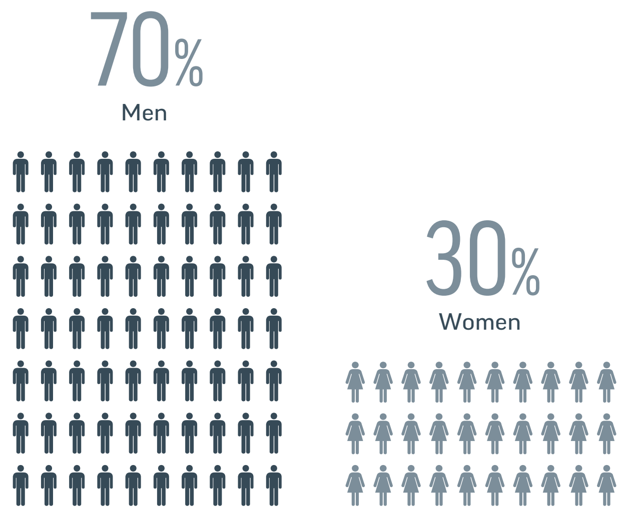
"I like to think of our role in fostering sustainable development in projects as one of 'realist idealists'. First, I think we all understand the necessity for increased sustainability if we are to maintain reasonable economic growth and leave a positive legacy for future generations. After all, ecosystem services, renewable natural resources and our social fabric are at least as important to the world economy as are creative output, infrastructures and trade.

Second, and perhaps more importantly, in our projects we pay equal attention to the constraints under which our clients operate, and propose ambitious yet feasible solutions to mainstream sustainability. This synthesis of passion and pragmatism animates us and drives innovation in our services. This mindset is also represented in our Sustainable Development Policy, as well as in our 2010-2013 Sustainable Development Action Plan. As a new objective for next year, we are considering implementing project indicators that would enable us to demonstrate to investors and stakeholders the Company's contribution to Sustainable Development in its commercial activities. All this is very motivating for us!"

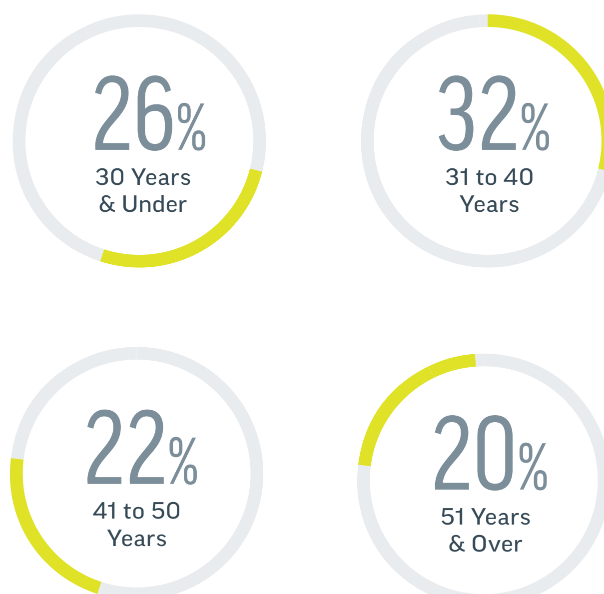
EMPLOYEES BY REGION

SELECTED EMPLOYEE STATISTICS

EMPLOYEES BY GENDER

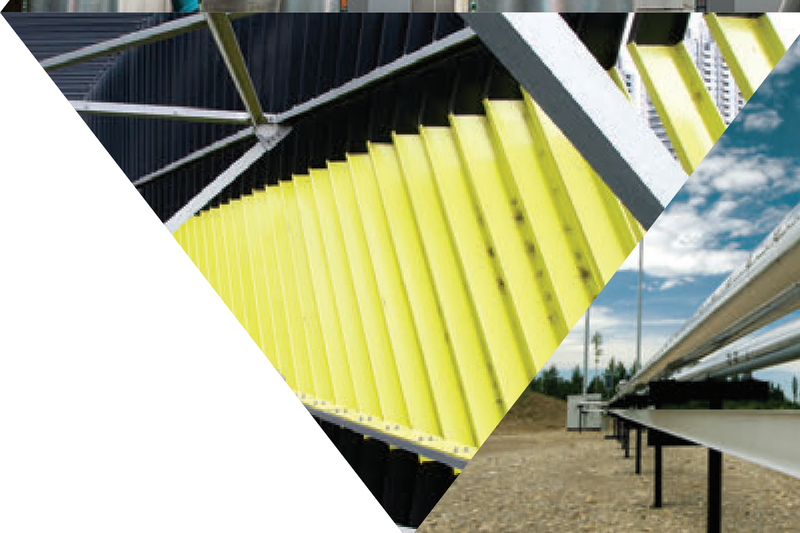


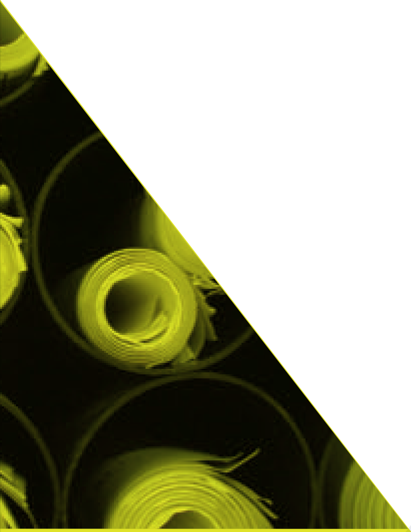
EMPLOYEE AGE DISTRIBUTION



AVERAGE AGE BY ROLE

COMBINING OUR BUSINESSES





OUR TALENTED TEAMS WILL DRAW UPON TODAY'S STRENGTHS AND EXPERTISE TO PURSUE OUR OFFERING OF MULTIDISCIPLINARY SERVICES ACROSS A WIDE RANGE OF GEOGRAPHIES.

THE GREATER AMMAN TRANSPORT MOBILITY MASTER PLAN

AMMAN, JORDAN

OUR SUSTAINABLE TRANSPORT STRATEGY IS HELPING TO PERSUADE THE RESIDENTS OF THE HEAVILY CONGESTED CAPITAL CITY TO LEAVE THEIR CARS AT HOME.

I'm proud that we are improving living conditions in Jordan's capital through the provision of high-quality public transport.

MICHAEL JORDANOU, INTERNATIONAL DIRECTOR, UK

QUICK FACTS

CLIENT

Greater Amman Municipality

PROJECT TEAM

WSP in association with Consolidated Consultants (Jordan)

SERVICE PROVIDED

Transport strategy development

PROJECT SUMMARY

Multi-modal transport strategy for a 15-year investment program in the heavily congested city of Amman.

KEY CHALLENGE

Increasing public transport mode share from 14% to 40% by 2020.

QUICK FACTS

CLIENT

Centre d'expertise hydrique du Québec (CEHQ)

PARTNER

SNC-Lavalin

PROJECT TEAM

Office: Lebourgneuf Blvd., Quebec City

SERVICES PROVIDED

Drawings, plans and specifications; hydraulic design; stability calculations; structural design; mechanical/electrical design; environmental approvals; construction supervision

PROJECT SUMMARY

The project consisted of the replacement of a section of the gravity dam by a flood control system with three vertical gates, to increase the discharge capacity by 600 m^3/s. A plunge pool was also designed to dissipate the energy downstream of the floodgates.

KEY CHALLENGE

Connecting the new flood control system while keeping the dam in operation was a major challenge involving the building of a large cofferdam in order to ensure dry conditions. A special mechanism was designed to ensure watertightness and to allow expansion of the joint between the two structures.

SARTIGAN DAM DISCHARGE CAPACITY UPGRADE

SAINT-GEORGES, CANADA

THE STRUCTURE WAS ORIGINALLY BUILT TO CONTROL SPRING THAW FLOODING AND REDUCE THE DOWNSTREAM FORMATION OF ICE JAMS IN THE CHAUDIÈRE RIVER. IT IS LOCATED IN AN URBAN ENVIRONMENT AND WAS NO LONGER ABLE TO WITHSTAND THE NEW MAXIMUM PROBABLE FLOOD.

We have delivered various hydraulic projects of this kind in the past. However, adding flood control to the existing dam significantly increased the structure's complexity. Our team carried out this mandate to the client's complete satisfaction.

ROLAND BROSSEAU, PROJECT MANAGER

On these large structures, it is very important that the traffic is not disrupted – there is nowhere else for the cars and trucks to go so it would really affect commuters if you shut it down. The construction will take about three years for each approach, and so far the traffic has been flowing constantly.

MOSE BUONOCORE, EXECUTIVE VICE PRESIDENT, USA

QUICK FACTS

CLIENT

Triborough Bridge and Tunnel Authority

PROJECT TEAM

Joint venture between WSP USA and Parsons Brinckerhoff

SERVICES PROVIDED

Feasibility study, design concepts, final design

PROJECT SUMMARY

Design and reconstruction of two approaches to a busy New York roadbridge, including widening, replacement of piers and substructure and improvements to drainage, lighting and fire protection.

KEY CHALLENGE

Keeping the traffic moving. During reconstruction, all six lanes are being kept open during rush hour, except for a 10-month period when five of the six lanes will be open, with three lanes operating in the peak direction – this can be achieved through the use of movable barriers.

BRONX - WHITESTONE BRIDGE

NEW YORK, USA

TOGETHER WITH PARSONS BRINCKERHOFF, WE ARE LEADING A COMPLETE REFURBISHMENT OF ONE OF NEW YORK CITY'S BUSIEST BRIDGES – WITHOUT STOPPING THE TRAFFIC AT ALL.

NORRA LÄNKEN AND NORRA STATION

HAGASTADEN, SWEDEN

THIS UNIQUE PROJECT IS INCREASING ROAD CAPACITY AND TRANSFORMING UNDERUSED LAND INTO A COMPLETELY NEW 4,000-HOME QUARTER OF THE CITY.

We can devise innovative solutions because we're involved in the new road project and in the new district – we are looking at the roads, housing and offices holistically rather than as a sum of their parts.

LARS KALLRÉN, PROJECT MANAGER, SWEDEN

QUICK FACTS

CLIENTS

Swedish Transport Administration and City of Stockholm

PROJECT TEAM

Office: Sweden (multidisciplinary team); Architecture: ON Architecture

SERVICES PROVIDED

Structural, mechanical, electrical, plumbing, geotechnical, architecture, risk and fire, safety, traffic management, transport, environmental, construction management, security, urban realm, planning

PROJECT SUMMARY

Construction of a 2 km highway between freight harbours and the city centre, and a 2.5 km deck to provide space for a new township and life science research centre.

KEY CHALLENGE

Building 1 km-long tunnels and bridges without reducing existing traffic capacity.

QUICK FACTS

CLIENT

Johannesburg Development Agency (City of Johannesburg)

PROJECT TEAM

Office: Africa

SERVICES PROVIDED

Project Management & Engineering Services

PROJECT SUMMARY

We were appointed to oversee the design and construction of the BRT network, upgrading existing road infrastructure and building 11 new stations.

KEY CHALLENGE

The exact position and size of underground services such as water mains, sewer mains, gas lines and electrical power cables were unknown, as was their condition. We had to replace many pipes that were found to be corroded and were near collapse.

BUS RAPID TRANSPORT SYSTEM

JOHANNESBURG, SOUTH AFRICA

WE ARE USING THE LATEST INNOVATIONS FROM AROUND THE WORLD TO KEEP THE COUNTRY'S RAPIDLY GROWING CITIES MOVING, DELIVERING A STATE-OF-THE-ART BUS SYSTEM AGAINST ALL THE ODDS.

We had to relocate everything outside of the bus lanes to allow space for the construction of the bus route. Construction was also delayed by the weather, so we had to overcome that too.

KEVIN VAN BLERK, TECHNICAL DIRECTOR, SOUTH AFRICA

LES BASSINS DU NOUVEAU HAVRE

MONTREAL, CANADA

WE ASSISTED WITH THE ENVIRONMENTAL ASPECTS OF THE DECONTAMINATION AND DEMOLITION OF A 60,500 M^2 CONTAMINATED SITE EARMARKED FOR RESIDENTIAL DEVELOPMENT.

With a view to acquiring LEED certification, complex sustainable development issues were addressed including conservation of the site's historical and archeological value.

KATERI NORMANDEAU, PROJECT DIRECTOR AND STRATEGIC ADVISOR (DEMOLITION AND DISPOSAL AND MONITORING PHASES)

QUICK FACTS

CLIENT
Canada Lands Company (CLC)

PARTNER
City of Montreal

PROJECT TEAM
Offices: Montreal, Trois-Rivières

SERVICES PROVIDED
Soil characterization, management and rehabilitation; certified environmental characterization reports, specifications and rehabilitation cost estimates; planning and design of civil infrastructure; client's representative and project manager; supervision and monitoring; permitting

PROJECT SUMMARY
CLC mandated us to assist them with the environmental aspects of the master plan being developed for a former Canada Post facility. This 1970s facility is the first of five properties to be redeveloped as part of Montreal's *New Harbourfront* initiative.

KEY CHALLENGES
The demolition phase included management of hazardous materials (PCBs, asbestos). In addition, performance objectives were established and monitored as regards reusing and recycling of materials. The final outcome was very impressive - 94% of materials were recycled, including 100% of the steel, concrete, brick and stone.

MANITOBA HYDRO PLACE

WINNIPEG, CANADA

DESIGNED AS THE NEW HEAD OFFICE BUILDING FOR MANITOBA HYDRO, THIS AMBITIOUS 22-FLOOR OFFICE BUILDING RECENTLY RECEIVED A LEED PLATINUM RATING FROM THE CANADA GREEN BUILDING COUNCIL. THE BUILDING'S STUNNING ARCHITECTURE HAS WON SEVERAL ESTEEMED AWARDS.

Right from the beginning, the project benefited from the collaboration of the client with all design disciplines around the table.

GLEN KLYM, DIRECTOR, SECURITY AND DEFENCE,
SMITH CARTER ARCHITECTS AND ENGINEERS


Image courtesy of Paul Hultberg

QUICK FACTS

CLIENT

Manitoba Hydro

PARTNER FIRMS

Kuwabara Payne McKenna Blumberg Architects, Design Architects; Smith Carter Architects and Engineers, Architects of Record; Transsolar, Energy/Climate Engineers

SERVICES PROVIDED

Executive architect, consultant team project management and construction supervision

PROJECT SUMMARY

The triangular shape of this building maximizes solar exposure to the south, minimizing exposure to cold northerly winds. One of the defining features is the 115-m solar chimney.

KEY CHALLENGE

Extreme seasonal temperatures in Winnipeg mean that energy-efficient design has particular challenges. Amongst the numerous sustainable features, the team has succeeded in creating a building that has been measured to use 88 kilowatts per square metre of energy per year, compared to the 400 kilowatts typically used in similar buildings!

QUICK FACTS

CLIENT

Crossrail

PROJECT TEAM

Office: UK; multidisciplinary team of 150 professionals from Environment, Energy and other expert agencies; Architecture and urban realm: John McAslan + Partners; Construction planning: Balfour Beatty Management; Town planning: CgMs Consulting; Security: MFD

SERVICES PROVIDED

Civil, pedestrian modelling, structural design, mechanical, electrical, plumbing, geotechnical, architecture, fire, health and safety, traffic management, transport, sustainability, project controls, planning, environmental, construction management, security, urban realm

PROJECT SUMMARY

Construction of world-class interchange station to link new 118.5km railway with existing Underground lines in central London.

KEY CHALLENGE

Building a 250m-long underground station with two 35m-deep ticket halls in one of London's busiest, most high-profile areas.

BOND STREET STATION

LONDON, UK

CROSSRAIL IS CURRENTLY EUROPE'S LARGEST INFRASTRUCTURE PROJECT, AND WE ARE LEAD CONSULTANT FOR ONE OF THE LINE'S KEY INTERCHANGES, IN THE HEART OF LONDON'S WEST END.

Both sites are very constrained and while the priority is designing a world-class interchange station, we have had to coordinate the requirements of all internal and external interface parties involved in the project.

TIM PEET, SENIOR TECHNICAL DIRECTOR, UK

The sheer magnitude of demanding technical, logistical and management feats required on this job are truly unprecedented. We faced unique engineering challenges for multifaceted conditions and tackled them as a team in close collaboration with the owner and design team.

YORAM EILON, VICE PRESIDENT, USA

WORLD TRADE CENTER

NEW YORK, USA

OUR ENGINEERS ARE PLAYING A PIVOTAL ROLE ON THE WORLD'S MOST FAMOUS BUILDING SITE, REINVENTING THE WAY TOWERS ARE BUILT, BOTH IN MANHATTAN AND ACROSS THE WORLD.

Image courtesy of dbox/Silverstein Properties

QUICK FACTS

CLIENTS

Port Authority of New York and New Jersey (One World Trade Center), Silverstein Properties (2 World Trade Center, 3 World Trade Center, 7 World Trade Center)

PROJECT TEAM

Office: WSP USA; Architecture: Skidmore, Owings & Merrill (1 and 7 WTC), Foster + Partners (2 WTC), Rogers Stirk Harbour + Partners (3 WTC)

SERVICE PROVIDED

Structural engineering

PROJECT SUMMARY

The opening of 7 WTC in May 2006 marked a major milestone in the redevelopment of Downtown New York – one that will provide over 10 million ft^2 of office space and add six gleaming new corporate office towers to the Lower Manhattan skyline.

KEY CHALLENGES

Myriad challenges are being addressed, from innovative design for the highest security and safety, to high levels of interaction between different stakeholders, accommodation of complex site conditions and a very tight schedule.

QUICK FACTS

CLIENT

Majid Al Futtaim Properties

PROJECT TEAM

Office: UK; Architecture: RTKL; Project management: Davis Langdon; Local Consultants: MZECH, Shaker

SERVICES PROVIDED

Structural, mechanical, electrical, fire, vertical transport, acoustics, wind modelling, sustainability, transport

PROJECT SUMMARY

One of the largest shopping centres in North Africa with a gross lettable area of 60,000m², more than 400 shops and a snow park.

KEY CHALLENGE

To avoid high import duties on foreign goods imposed by the Egyptian Government, our team had to ensure the use of locally sourced materials.

We've been able to deliver this project because we have the right range of skills, both in the UK and in the Middle East, and the global reach to lead a development on this scale.

GUY WELLINGS, DIRECTOR, UK

Image courtesy of Majid Al Futtaim Properties

MALL OF EGYPT

CAIRO, EGYPT

OUR RETAIL EXPERTS ARE COLLABORATING WITH CAIRO-BASED CONSULTANTS TO TAILOR A WORLD-CLASS SHOPPING-CENTRE DESIGN TO THE LOCAL MARKET.

QUICK FACTS

CLIENT

Sellar Property Group

PROJECT TEAM

Offices: UK and USA; Architecture: Renzo Piano Building Workshop; Construction: Mace

SERVICES PROVIDED

Structural, fire, geotechnical, acoustics, traffic and transport, drainage

PROJECT SUMMARY

Mixed-use tower with three-storey basement and 72 storeys above ground, including 55,000m² of office space, a luxury hotel, exclusive residences, restaurants and public viewing gallery.

KEY CHALLENGES

The main core was started at basement level 2 (B2) and supported on plunge columns. The walls were extended down to B3 after the top of the core had reached level 20, reducing the program by three months.

THE SHARD

LONDON, UK

WE ARE THE STRUCTURAL ENGINEERS ON EUROPE'S TALLEST BUILDING – A UNIQUE HYBRID STRUCTURE THAT MINIMIZES EMBODIED ENERGY AND MAXIMIZES VALUE FOR THE CLIENT.

I have learnt so much in the six years I worked on the project. It is so satisfying to see Londoners and tourists look and point at the building in amazement. I think it is a wonderful addition to our skyline.

ROMA AGRAWAL, ASSOCIATE, UK

QUICK FACTS

CLIENT
Söderenergi

PROJECT TEAM
Office: Sweden; Architecture: Scheiwiller Svensson Arkitekter

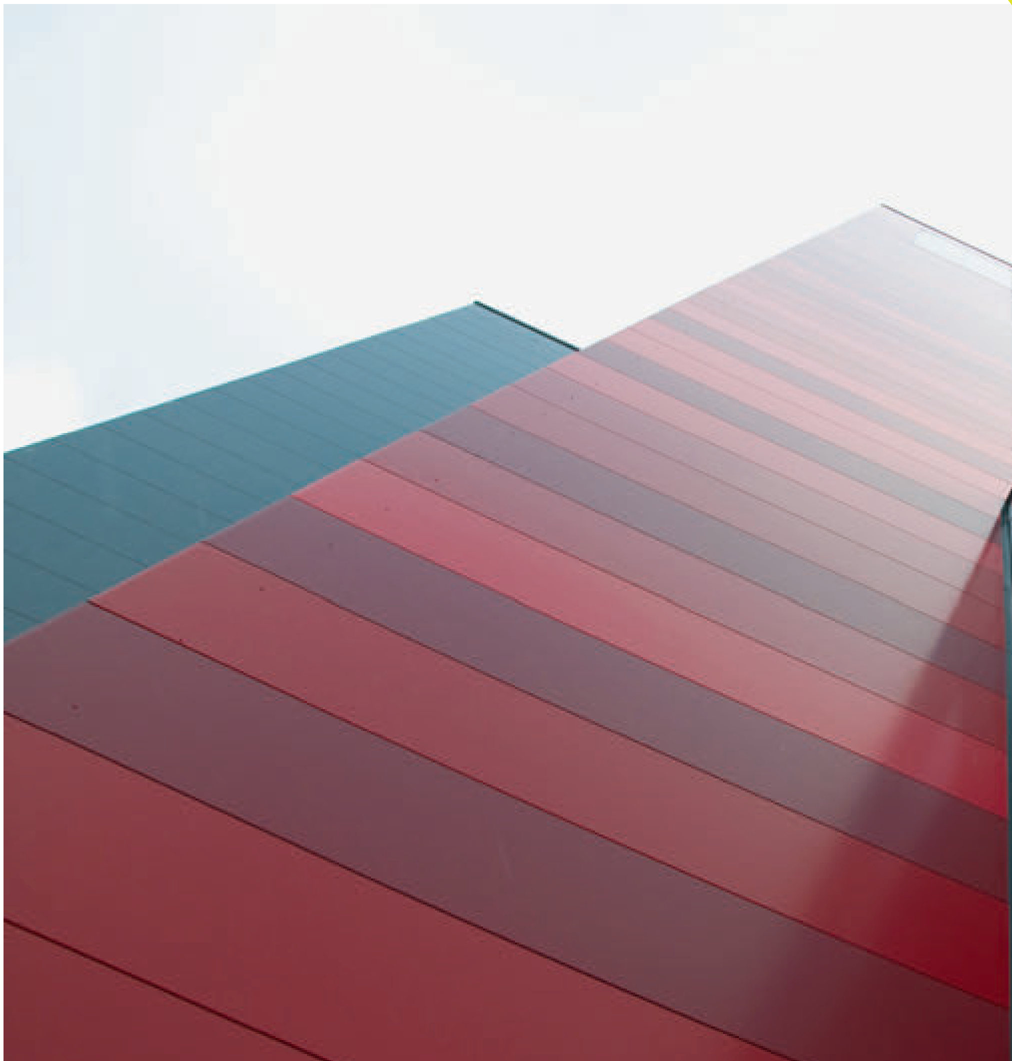
SERVICES PROVIDED
Structural, project management, HVAC, electrical, fire risk, acoustics, landscape design, cost calculations, site supervision, building control

PROJECT SUMMARY
This complex project involved design of a CHP plant, including boiler house, buildings for the generator, turbine and flue gas cleaning/particle filters, together with ash silos and a new office building. The project also included conveyors, silos and a new harbour for the biofuel.

KEY CHALLENGE
All drawings for structure, pipes and processes were done in 3D. Construction drawings were developed using TEKLA.

The largest project of its kind that the Company has ever undertaken, the plant was completed in record time – just under four years from the planning application to the start of commercial operation.

STAFFAN DYRSCH, PROJECT MANAGER, SWEDEN



IGELSTA COMBINED HEAT AND POWER PLANT

SÖDERTÄLJE, SWEDEN

IGELSTA IS NOW THE COUNTRY'S LARGEST BIO-FUELLED CO-GENERATION PLANT – PRODUCING BOTH HEAT AND POWER FROM LOCAL RENEWABLE SOURCES OF ENERGY AND WASTE.

We took great pride in our participation in the supervision of the construction of the two bridges, contributing to improved traffic flow in one of the most congested parts of Bogotá. We worked both day and night and delivered the project to the City on time and within budget!

MIGUEL ARCHILA GUIO, REGIONAL VICE PRESIDENT, COLOMBIA

BRIDGES OVER 100th STREET AND 15th AVENUE

BOGOTÁ, COLOMBIA

THIS MAJOR NEW BRIDGE STRUCTURE IN NORTH-WEST BOGOTÁ CARRIES 4,000 VEHICLES EAST-WEST AND 3,500 VEHICLES WEST-EAST OVER 100th STREET AND 15th AVENUE DURING RUSH HOUR EACH DAY.

QUICK FACTS

CLIENTS

Instituto de Desarrollo Urbano ("Institute of urban development")

PROJECT TEAM

Office: Bogotá; Consortium: CRA Associate Regional Consultants SA: 60%, Diego Chaves Fonseca: 40%

SERVICES PROVIDED

Supervision of technical, administrative, financial, legal, environmental and social aspects throughout the project

PROJECT SUMMARY

This dual carriageway, state-of-the-art bridge structure is situated at the intersection of two streets (100th Street and 19th Avenue), a railroad and a major sector road (15th Avenue). Each bridge is 395 m long and 12 m wide, with three lanes in each direction.

KEY CHALLENGE

The ingenious system used - successive segments/beams erected – avoided interrupting the flow of vehicles in all directions, the first time such a technique was used in the construction of a vehicular bridge in Bogotá. It was complicated by the large space between the supports (84 m).

QUICK FACTS

CLIENT

Great Ormond Street Hospital for Children NHS Trust (GOSH)

PROJECT TEAM

Office: UK; Architecture: Llewelyn Davies Yeang; Construction: BAM Construct UK (Phase 2A)

SERVICES PROVIDED

Structural, building services, fire, acoustics, sustainability

PROJECT SUMMARY

Design and construction of a sustainable, leading-edge clinical facility, employing low-energy solutions. A 3MW CCHP installation will reduce the campus' CO_2 emissions by more than 3,000 tonnes per year.

KEY CHALLENGE

The program has set a target of 120% CO_2 reduction and a 60% renewable contribution from the two new buildings by 2016.

These projects are an example of the benefits the Company brings, with building services, structural and specialist acoustic, environmental, AV, power systems and vertical transportation engineers working together towards the delivery of a world-class building.

MARK CADE, ASSOCIATE, UK

GREAT ORMOND STREET HOSPITAL

LONDON, UK

WE ARE WORKING WITH ONE OF THE WORLD'S LEADING CHILDREN'S HOSPITALS TO HELP IT REDUCE ITS ENERGY USE AND OPTIMISE COMFORT FOR PATIENTS, STAFF AND VISITORS.

STOCKHOLM ROYAL SEAPORT

STOCKHOLM, SWEDEN

URBAN DEVELOPMENT IN SCANDINAVIA IS OFTEN A VISION OF OUR COLLECTIVE FUTURE, AND STOCKHOLM ROYAL SEAPORT IS A SHINING EXAMPLE – WITH A PLAN TO BE FOSSIL FUEL FREE IN LESS THAN 20 YEARS.

Image courtesy of City of Stockholm and Dynagraph

We helped to create the vision for Stockholm Royal Seaport, set the targets and make it a reality. The range of services we can provide is one of our main strengths, and it gives us a real competitive edge.

AGNETA PERSSON, ENERGY DIRECTOR, SWEDEN

QUICK FACTS

CLIENT

City of Stockholm, Stockholm Royal Seaport

PROJECT TEAM

Office: Sweden

SERVICES PROVIDED

Sustainable masterplanning, waste and water, planning, soil remediation, infrastructure, landscaping

PROJECT SUMMARY

Development of sustainable energy solutions for the new city district of Royal Seaport. We also provided capacity building and knowledge transfer to the construction companies and their architects and consultants.

KEY CHALLENGES

Achieving 55 Wh/m² per year, generating small-scale, local renewable electricity, and adapting for climate change.

TELE2 ARENA

STOCKHOLM, SWEDEN

THE TELE2 ARENA WON'T BE COMPLETED UNTIL LATE SPRING 2013, BUT ITS WHOLE LIFE HAS ALREADY BEEN MAPPED OUT, FROM POWER SOURCES TO WHAT TO DO WITH LEFTOVER FOOD.

We carried out many different investigations, such as which sources of renewable energy would be effective and the use of green facades.

ALEXANDER JANSA, ENGINEER, SWEDEN

QUICK FACTS

CLIENT

City of Stockholm via subsidiary SGA Fastigheter

PROJECT TEAM

Offices: Sweden and Finland

SERVICES PROVIDED

Project management, pre-construction technical studies and programming, structural analysis basic design, steel detail design, precast detail design, geotechnical, fire and risk, sustainability, traffic, building services installations and electrical

PROJECT SUMMARY

Creation of a major new venue in the Swedish capital for sport and entertainment, consisting of an arena with sliding roof for year-round events. It fulfills UEFA and FIFA regulations for international football.

KEY CHALLENGE

Meeting the Gold standard under the national green building certification system, MiljöByggnad.

QUICK FACTS

CLIENT

Owner: Parks Canada Agency; Project Manager: Public Works and Government Services Canada

PROJECT TEAM

Offices: Longueuil (Guimond Blvd.); Laval; Quebec (Lebourgneuf Blvd.); Montreal

SERVICES PROVIDED

Plans and specifications, work supervision, coordination, site monitoring; bridge engineering; hydraulics; instrumentation, automation and controls; road engineering; electrical engineering; 3D visual simulations

PROJECT SUMMARY

The project's primary goal was to replace Bridge Nº 9, which had reached the end of its useful life. We decided on a bascule bridge concept, in which movement is activated by means of hydraulic cylinders. The structure is 100% steel and was honoured at the Canadian Institute of Steel Construction's 2012 awards for Quebec's best steel projects.

KEY CHALLENGES

The team had to tackle and resolve the complexities inherent in designing a new type of bridge in a very reduced space while protecting the natural environment and maintaining navigation on the canal.

This type of bridge, although used in various locations in Europe, may well be the only one of its kind in Canada and North America. It will offer current and future generations an overview of the technical achievements associated with our era while preserving the commemorative integrity of this historic site.

TONY MAILHOT, SENIOR BRIDGE DESIGNER

BRIDGE Nº 9 OVER THE CHAMBLY CANAL

SAINT-JEAN-SUR-RICHELIEU, CANADA

THE PROJECT CONSISTED OF DESIGNING AND BUILDING A NEW BRIDGE OVER THE CHAMBLY CANAL AS A REPLACEMENT FOR BRIDGE Nº9. DESIGNATED A SITE OF NATIONAL HISTORIC IMPORTANCE IN 1929, THE CHAMBLY CANAL IS LOCATED ON THE RICHELIEU RIVER AND IS PART OF CANADA'S NETWORK OF HISTORIC CANALS.

QUICK FACTS

CLIENT
Pasminco Cockle Creek Smelter

PROJECT TEAM
Office: Australia

SERVICES PROVIDED
Project management, contaminated land assessment and remediation, stakeholder consultation, strategic land use planning, regulatory approvals, environmental monitoring and reporting

PROJECT SUMMARY
We demolished a lead and zinc smelter and removed heavy industrial contamination from a 190-hectare site to pave the way for residential and business developments.

KEY CHALLENGE
Managing 2 million tons of contaminated material and capturing and treating the contaminated groundwater on site.

PASMINCO COCKLE CREEK

NEW SOUTH WALES, AUSTRALIA

THE REMEDIATION AND REDEVELOPMENT OF THIS SITE INCLUDED THE MANAGEMENT OF A MYRIAD OF ISSUES INCLUDING THREATENED FLORA AND FAUNA, SIGNIFICANT SOIL AND GROUNDWATER CONTAMINATION, MINING LEASES AND MINE SUBSIDENCE AND INDUSTRIAL ARCHAEOLOGY.

Our high level project management skills and depth of experience in delivering major projects of this kind have resulted in the successful revitalisation of this 190-hectare site for industrial, residential and open space use.

ANDREW FREEMAN, GENERAL MANAGER – URBAN DEVELOPMENT, PLANNING & PROPERTY

2012 YEAR-END FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of consolidated financial position and consolidated results of operations dated March 12, 2013, is intended to assist readers in understanding GENIVAR Inc. (the "Company" or "GENIVAR") and its business environment, strategies, performance and risk factors. In this MD&A, the "Company," "we," "us" and "our" mean GENIVAR Inc. This MD&A should be read together with the audited consolidated financial statements and accompanying notes of the Company for the year ended December 31, 2012. The Company's audited consolidated financial statements for the year ended December 31, 2012, have been prepared in compliance with International Financial Reporting Standards ("IFRS") as defined in the Handbook of the Canadian Institute of Chartered Accountants and adopted by the International Accounting Standards Board ("IASB"). All amounts shown in this MD&A are expressed in Canadian dollars, unless otherwise indicated. All quarterly information disclosed in this MD&A is based on unaudited figures.

This MD&A focuses on the Company's fourth-quarter results, covering the period from September 30, 2012, to December 31, 2012 and the 2012 year. The Company's quarters usually include 13 weeks except the fourth quarter, which has to end on December 31 of each year, and the first quarter that follows.

NON-IFRS MEASURES

The Company uses non-IFRS measures that are considered by companies as indicators of financial performance measures which are not recognized under IFRS and may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable. It believes these measures provide useful supplemental information that may assist investors in assessing an investment in the Company's shares.

Non-IFRS measures used by the Company are net revenues, EBITDA, EBITDA per share, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, income tax expenses per share, adjusted net earnings, adjusted net earnings per share, funds from operations, funds from operations per share, free cash flow, and free cash flow per share. These measures are defined at the end of this MD&A in the "Glossary" section.

OVERVIEW OF THE INDUSTRY AND THE COMPANY

THE INDUSTRY

The global market in which we work encompasses all aspects of design and management services related to the development and implementation of projects in the built and natural environment for the public and private sectors. As much as 50% of revenues in the engineering industry are derived from the building and infrastructure segments. North America, Europe and Oceania account for approximately 75% of spending for engineering and design services while the rest of the world accounts for the remaining 25%.

The acknowledged trend towards consolidation in the industry is driven by the increasing demand for companies to be able to provide all professional services for the major projects across a variety of geographies. This continued consolidation positions the larger companies to compete in an increasingly diversified worldwide market where ongoing focus on recruitment and retention of experienced and skilled human resources is essential.

The Company's management ("Management") believes that the demands of global clients and project opportunities will continue to increase and this diversification of activities provides both resilience and opportunity whilst ensuring we are at the forefront of our local markets at all times.

THE COMPANY

The Company, through its combination with WSP Group plc ("WSP"), is one of the world's leading professional services firms, working with governments, businesses, architects and planners and providing integrated solutions across many disciplines, from designing zero-carbon cities to project managing large-scale Infrastructure projects. The Company provides services to transform the built environment and restore the natural environment, and its expertise ranges from environmental remediation to urban planning, from engineering iconic buildings to designing sustainable transport networks, and from developing the energy sources of the future to enabling new ways of extracting essential resources. Whether designing Europe's largest vertical city or setting the benchmark for decommissioning mines, the Company prides itself on its technical innovation and its appetite for excellence on each and every project, large or small.

The Company offers a variety of project services throughout all project execution phases, from the initial development and planning studies through to the design, construction, commissioning and maintenance phases. It has developed a multidisciplinary team approach whereby employees work closely with clients to develop optimized solutions on time and on budget. The Company operates in different industries: Buildings, Infrastructure (including Transportation and Municipal Infrastructure), Industrial and Energy (including Mining, Oil and Gas) and Environment.

Buildings: The Company provides comprehensive professional, environmental and delivery services on some of the most prestigious buildings across the globe. These cover a wide range of sectors, including commercial, healthcare, education, cultural centres, sports and leisure facilities and major urban regeneration schemes. The Company's broad range of services encompasses mechanical, electrical and structural engineering, planning and architectural design, building sciences, energy efficiency, food services, telecommunication solutions as well as other project services. The Company works on existing facilities as well as on new construction projects.

Infrastructure (including Transportation and Municipal Infrastructure): The Company's expertise is sought after by governments around the world to create sustainable long-term transportation strategies and to advise on a national and regional level over the complete life cycle of a wide range of major projects. At the local level, the Company has particular strengths in planning, analyzing, designing and managing projects in aviation, bridges, highways, intelligent traffic systems, marine, roads and rail. Assignments relate to municipal rehabilitation and development, water distribution and treatment, wastewater collection and treatment, public utilities, storm water management, land development, municipal road networks, lighting and various municipal facilities. Cities, municipalities, townships and real estate developers are among the major clients of this industry.

Industrial and Energy (including Mining, Oil and Gas): The Company provides project and planning management and front-end management consulting services to private clients of various industries, including the strategic, technical and commercial support required for complex construction projects. It also provides specialist advice on industrial process engineering, to major clients in industries such as mining and mineral processing (underground and open pit), oil and gas, metallurgy, chemical and petrochemicals, pulp and paper, wood products, pharmaceuticals and biotechnology, food and beverage, power generation and general manufacturing. Power generation projects include hydroelectric, wind, solar and thermal power generation, nuclear safety, cogeneration and related distribution and transmission systems. Clients in Energy include public suppliers of electricity and private developers.

Environment: The Company helps organizations around the world to manage risks, reduce costs and create competitive market opportunities related to their sustainability, climate change, environment and health and safety agendas. The Company's services include impact studies and environmental assessments, ecosystem studies, monitoring surveys and characterizations, management systems, permitting, compliance audits, geomatics and mapping, as well as economic and risk management. Clients in this industry include organizations from all of the other industries and typical projects include restoration of contaminated sites, waste management, habitat restoration and site rehabilitation.

As at December 31, 2012, the Company had approximately 15,000 employees, mainly engineers, technicians, scientists and architects, as well as various environmental experts, based in more than 300 offices, across 35 countries, on every continent. The Company can therefore offer specialized expertise in many fields and in many locations. It can also provide a completely integrated service bringing together knowledge and experience from across the Company, managed and delivered seamlessly. The address of its main registered office is 1600, René-Lévesque Boulevard West, Montreal, Quebec. The Company's common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "GNV."

The Company's business model is centered on maintaining a leadership position in each of its end markets and the regions in which it operates by establishing a strong commitment to and recognizing the needs of surrounding communities and local or national clients. Such a business model translates into regional offices with an established market share and a full service offering throughout every project execution phase. It has the breadth of capability and the depth of expertise to transform clients' visions into realities that are sustainable in every sense – commercially, technically, socially and environmentally.

HIGHLIGHTS

FOURTH QUARTER HIGHLIGHTS

- Solid aggregate results in line with Management's expectations.
- Revenues of $516.5 million, representing an increase of 200.3% for the same quarter of 2011.
- Net revenues reached $411.9 million, representing an increase of 210.4% from $132.7 million for the same quarter of 2011.
- WSP's organic growth on net revenues stood at 8.2%, compared to the same quarter of 2011. GENIVAR excluding the WSP acquisition ("Former GENIVAR") realized a negative organic growth of 1.2%.
- Unusual Items(1) for the quarter represented a total of $4.5 million as a result of integration costs, minus an income tax effect of $1.0 million.
- EBITDA of $40.8 million or $45.3 million excluding Unusual Items. This is up from $21.5 million in 2011. EBITDA margin without Unusual Items stood at 11.0% for the quarter.
- Adjusted net earnings of $0.52 per share, or net earnings of $0.45 per share, compared to $0.37 per share in 2011.
- Funds from operations of $42.7 million, compared to $16.5 million in 2011.
- Free cash flow of $93.1 million or $1.83 per share.
- Dividend declared of $0.375 per share.
- Backlog for the fourth quarter increased by $60.6 million or 4.5% from the end of the third quarter of 2012.
- Days sale outstanding ratio of accounts receivable and costs and anticipated profits in excess of billings ("DSO") were reduced by 10 days during the quarter representing an inflow of approximately $54.0 million.

FINANCIAL HIGHLIGHTS – QUARTER

	FOURTH QUARTER		
	2012 without Unusual Items*	2012	2011
IN MILLIONS OF DOLLARS, EXCEPT PER SHARE DATA	FOR THE PERIOD FROM SEPTEMBER 30 TO DECEMBER 31	FOR THE PERIOD FROM SEPTEMBER 30 TO DECEMBER 31	FOR THE PERIOD FROM OCTOBER 2 TO DECEMBER 31
Revenues	$516.5	$516.5	$172.0
Net revenues**	$411.9	$411.9	$132.7
EBITDA**	$45.3	$40.8	$21.5
EBITDA per share**	$0.89	$0.80	$0.80
Net earnings		$23.0	$10.0
Basic and diluted net earnings per share		$0.45	$0.37
Adjusted net earnings**	$26.5		$10.0
Adjusted net earnings per share**	$0.52		$0.37
Funds from operations**	$47.2	$42.7	$16.5
Funds from operations per share**	$0.93	$0.84	$0.61
Free cash flow**	$98.2	$93.1	$47.1
Free cash flow per share**	$1.93	$1.83	$1.75

* The financial results are presented before the impact of Unusual Items, as explained in the "WSP Transaction Summary" section.

** Non-IFRS measures are described in the "Glossary" section.

(1) Unusual Items are defined in the "WSP Transaction Summary" section.

2012 HIGHLIGHTS

- Record operating results.
- Revenues of $1,257.5 million, up 92.9% on a year-over-year basis.
- Net revenues of $1,020.1 million representing an increase of 92.8% from $529.0 million in 2011.
- Organic growth on net revenues of 4.9% for WSP on a trailing twelve month basis and a flat organic growth for Former GENIVAR.
- EBITDA of $108.6 million or $125.4 million, excluding Unusual Items. This represents EBITDA margins of 10.6% and 12.3%, respectively.
- Backlog totalling $1,420.6 million as at December 31, 2012, which translates into 8.9 months of upcoming work. Excluding the business acquisitions, Canadian backlog grew organically by approximately 9% in 2012 compared to 2011.
- Dividends declared of $1.50 per share, stable from 2011.
- For the first time in 24 months, DSO decreased below the 100 days threshold and reached 97 days.
- Free cash flow per share without Unusual Items of $2.22, representing 146.1% of adjusted net earnings per share.
- Net debt to EBITDA ratio of 0.8x on a combined trailing twelve month basis, compared to an estimated 1.4x at WSP's acquisition date.

FINANCIAL HIGHLIGHTS – YEAR

	YEAR		
	2012 without Unusual Items*	**2012**	**2011**
IN MILLIONS OF DOLLARS, EXCEPT PER SHARE DATA	FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31	FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31	FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31
Revenues	$1,257.5	$1,257.5	$651.9
Net revenues**	$1,020.1	$1,020.1	$529.0
EBITDA**	$125.4	$108.6	$89.7
EBITDA per share**	$3.11	$2.69	$3.42
Net earnings		$46.3	$50.1
Basic and diluted net earnings per share		$1.15	$1.91
Adjusted net earnings**	$61.4		$42.9
Adjusted net earnings per share**	$1.52		$1.64
Funds from operations**	$109.2	$92.4	$67.8
Funds from operations per share**	$2.71	$2.29	$2.58
Free cash flow**	$89.5	$76.4	$60.0
Free cash flow per share**	$2.22	$1.90	$2.29

* The financial results are presented before the impacts of Unusual Items, as explained in the "WSP Transaction Summary" section.

** Non-IFRS measures are described in the "Glossary" section.

WSP TRANSACTION SUMMARY

The highlight for the Company in 2012 was undoubtedly the transaction pertaining to the acquisition of WSP, a global multi-disciplinary professional services firm based in London, United Kingdom ("UK"), which had 9,000 employees in more than 200 offices in 30 different countries (the "Transaction"). On June 7, 2012, the Company announced a cash offer to acquire all issued and outstanding shares of WSP for an amount of £4.35 per share for a total value of £277.7 million ($437.6 million). On August 1, 2012, the Company concluded the Transaction by acquiring all the shares of WSP it did not already own for a cash consideration of £256.8 million ($405.0 million). In June 2012, the Company had previously acquired 7.53% of WSP's common shares on the open market for an amount of £20.9 million ($32.6 million). This acquisition positions the Company as a top-ten world-class pure play planning and design consultancy firm and as the second largest Canadian-based firm in this industry.

In order to finance a portion of the consideration and related expenses, the Company entered into an agreement with a syndicate of underwriters to sell, on a bought-deal basis, 9,375,000 subscription receipts of the Company from treasury, at an individual price of $24.00, for gross proceeds of $225.0 million. The Company agreed to pay a fee equal to $0.96 per subscription receipt, or $9.0 million in total to the underwriters. Each subscription receipt represented the holder's right to receive, without payment of additional consideration, one common share of the issuer and the dividend declared by the Company on May 9, 2012, as dividend equivalent payment, both contingent upon the closing of the Transaction. Following the conclusion of the WSP acquisition, each of the 9,375,000 subscription receipts was automatically exchanged for one common share of the Company. It received $216.0 million in cash following the payment of the underwriter fee and paid $3.5 million as dividend equivalent payment in August 2012.

The Company has also entered into subscription agreements with two Canadian institutions to purchase, on a private placement basis, 8,210,610 subscription receipts at a price of $24.00 each, for gross proceeds of $197.1 million. In August 2012, after the closing of the Transaction, the Company paid a non-refundable capital commitment payment equal to 4.0% of the aggregate purchase price. Each subscription receipt was also immediately exchanged for one common share of the Company, the net proceeds were received from the trust and a dividend equivalent payment of $3.1 million was paid to the holders.

As part of its three-year strategic plan, the Company was looking to expand its reach on the international front while remaining focused on its core business model to deliver services locally in accordance with client and market needs. The Transaction met all of the Company's key acquisition criteria established in its plan: 1) complementary markets and geographies; 2) aligned model, culture, values and vision; 3) successful and strong management team.

As a result of this Transaction, $12.3 million of acquisition-related costs were incurred during the second quarter, which had a negative impact on the results of operations for the year 2012.

In the fourth quarter, the Company focused on and completed the integration of WSP's Environment and Energy division, which was previously a separate global operating entity and is now integrated in each region. In December 2012, various WSP US entities were also amalgamated under one umbrella, in order to simplify the WSP structure and to improve cost structure. The Company incurred $4.5 million for employee severances, lease provisions and other related expenses to integrate the Environment and Energy and WSP US operations. The acquisition-related costs as well as the integration and restructuring expenses amounting to $16.8 million are considered unusual costs by Management and are defined as "Unusual Items." Operating results presented in this MD&A exclude the effects of these Unusual Items, net of income taxes of $1.7 million.

The fourth quarter results were impacted by Unusual Items for a total amount of $4.5 million, minus an income tax effect of $1.0 million.

In addition, since Unusual Items were not entirely paid at the end of 2012, free cash flow and funds from operation measures have been adjusted to remove the cash flow impacts of Unusual Items.

WSP's operating results have been consolidated with GENIVAR's results from the acquisition date, which included five months of results for the year ended December 31, 2012.

FOURTH QUARTER AND YEAR HIGHLIGHTS

OPERATIONAL REVIEW

After five months of combined activities, we are pleased by the aggregate results of our operations.

During the fourth quarter, Management reviewed the basis on which financial information was reported. Following its preliminary analysis, Management recommended to present its financial information in five reportable operating segments, namely Canada, United States ("US"), UK, Northern Europe and Rest of the World. Management may modifiy the reportable operating segments presented following the completion of the integration. Measures used by Management to understand the results of operations in each reportable operating segment are revenues, net revenues, adjusted EBITDA, backlog, "soft backlog" and number of employees. Management analyzed the performance of the operating segments, excluding the Unusual Items and global corporate costs. The Adjusted EBITDA is consequently defined as earnings before financial expenses, income tax expenses, depreciation, amortization, Unusual Items and global corporate costs. Expenses and salaries related to centralized functions, such as global Finance, Human Resources and Technology teams are considered "Global Corporate Costs."

These measures are presented in the following tables by reportable operating segments:

OPERATIONAL HIGHLIGHTS – FOURTH QUARTER

	2012 FOURTH QUARTER					
IN MILLIONS OF DOLLARS, EXCEPT PERCENTAGES	Canada	United States	United Kingdom	Northern Europe	Rest of the World	Total
Revenues	$177.3	$44.4	$84.7	$142.4	$67.7	$516.5
Net revenues*	$140.7	$37.7	$65.9	$117.1	$50.5	$411.9
Adjusted EBITDA*	$18.3	$4.3	$9.3	$18.6	$1.5	$52.0
Adjusted EBITDA Margin*	13.0%	11.4%	14.1%	15.9%	3.0%	12.6%

* Non-IFRS measures are described in the "Glossary" section.

OPERATIONAL HIGHLIGHTS – YEAR

	2012 YEAR					
IN MILLIONS OF DOLLARS, EXCEPT NUMBER OF EMPLOYEES AND PERCENTAGES	Canada	United States	United Kingdom	Northern Europe	Rest of the World	Total
Revenues	$710.8	$74.5	$139.1	$222.0	$111.1	$1,257.5
Net revenues*	$577.2	$63.9	$107.7	$188.0	$83.3	$1,020.1
Adjusted EBITDA*	$89.1	$7.5	$11.7	$29.1	$3.3	$140.7
Adjusted EBITDA Margin*	15.4%	11.7%	10.9%	15.5%	4.0%	13.8%
Approximate number of employees	4,900	1,100	2,400	3,400	3,000	14,800
Backlog	$540.6	$210.0	$262.0	$241.0	$167.0	$1,420.6
Soft backlog	$123.0	$39.0	$110.0	$114.0	$69.0	$455.0

* Non-IFRS measures are described in the "Glossary" section.

RECONCILIATION OF EBITDA AND ADJUSTED EBITDA

	FOURTH QUARTER	YEAR
	2012	2012
IN MILLIONS OF DOLLARS	FOR THE PERIOD FROM SEPTEMBER 30 TO DECEMBER 31	FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31
EBITDA*	**$40.8**	**$108.6**
Transaction costs of WSP**	-	$12.3
Integration and restructuring costs**	$4.5	$4.5
Global Corporate Costs*	$6.7	$15.3
Adjusted EBITDA*	**$52.0**	**$140.7**

* Non-IFRS measures are described in the "Glossary" section.

** Transaction costs of WSP and integration and restructuring costs are explained in the "WSP Transaction Summary" section.

CANADA

The performance of our Canadian operations, which was disappointing, remained in line with previous quarters, impacted mainly by political changes at the provincial level and by a slowdown in some industries.

As in previous quarters, Ontario continued to be marked by intense competition and by problematic project execution, which have been lingering since the beginning of the year. This challenging business environment has been affected by political uncertainties at all government levels and, in rural regions, by the completion of stimulus-related projects. On a more positive note, we are starting to leverage WSP's private-public partnership expertise and are confident that large-scale public-private partnership ("P3") engineering projects will present good opportunities for our Transportation and Buildings segments in 2013.

The province of Quebec continued to post solid results in spite of a slowdown in the public sector due to the change of government and the ongoing Charbonneau Commission (the "Commission"). In addition, although revenues generated from publicly-funded projects was stable, our EBITDA is increasingly impacted by the fact that fees, which are established by decree, have not been indexed since 2009, whereas the pressure on fixed-costs is going upward. On a positive note, we believe we are well-positioned for upcoming major P3 projects such as the Turcot Interchange and the Champlain Bridge in the Transportation industry or Radio-Canada's headquarters in the Buildings segment. On the Environment front, we continue to perform according to plan as we leverage our expertise with other provinces and countries.

In Western Canada, particularly British Columbia ("BC") and Manitoba, the economy slowed and public spending diminished, while competition for new projects continues to be fierce. In addition, provincial elections are scheduled to take place in BC in May 2013, which may exacerbate the trend there. In contrast, Saskatchewan's booming economy leaves us well-positioned as we kick off 2013. On the Buildings front, we are seeing an increase in design/build and P3 projects, which continue to be the favoured procurement method for design services in that segment. We believe that WSP's expertise in both the Buildings segment and the P3 market will serve us well in the future.

Alberta moved on swiftly from the slowdown in activities which followed elections held earlier in the year, and we maintained a very strong backlog of projects in the Infrastructure segment. The Oil and Gas division remained busy and fully utilized, although we are aware that low commodity prices and higher resources inventory levels in the US could have an impact on this segment in 2013.

The Atlantic region's performance was stable and supported by resource-driven Infrastructure projects. Government spending is expected to slow down in 2013.

PROJECT SAMPLE

- We were selected by BC Hydro as facilities design provider for the next five years in British Columbia.
- Our Environmental services team has been awarded a supply agreement from Public Works and Government Services Canada, which is valid until 2016. Under the scope of this contract, we will provide environmental site assessments, develop sampling strategies, perform soil and groundwater samplings and monitor decontamination work throughout the province of Quebec.

Colombia

Colombia has delivered a strong performance during the quarter, particularly in the Mining and Energy sectors. We also expect various public private partnership projects to begin in different regions, mainly in Transportation, which is a booming sector.

PROJECT SAMPLE

- We have been mandated by Electricaribe, which provides the service of distribution and marketing of electric power in the Colombian Caribbean, to provide quality control and supervision of its service centers.
- We have been tasked by the City of Medellin to perform the inventory of all contracts for the provision of street lighting services.

UNITED STATES

Following the presidential election and the changes in the fiscal crisis, economic indicators are currently pointing to slow but continued growth.

On the Buildings front, the multi-family residential market, including high-rise towers, remains strong across the country. Overall, the Buildings industry is showing signs of strengthening and we are seeing work resume on projects that were put on hold during the recession years.

We have also seen renewed activity in the Environment sector, with heightened activity in the areas of hazardous materials management and building services. On the Transportation front, toll-generating agencies continue to maintain their funding and are issuing new calls for proposals, which have had a positive impact for us. We also witnessed a slight improvement in private development.

PROJECT SAMPLE

- We have been appointed to perform mechanical, electrical, plumbing and structural professional services for a 2,100,000-ft^2 mixed-use project including three buildings with residential, retail and amenity areas in New York City, NY.

- We were awarded a contract for mechanical, electrical, plumbing, architectural lighting and built ecology services for the Seattle Arena, a brand new facility and the new home of the latest NBA expansion team, the Seattle Supersonics. Covering approximately 700,000 ft^2, the facility will be built on a 6.3-acre parcel near Safeco Field and is expected to have a seating capacity of 18,500 people in Seattle, WA.
- We have been tasked to perform mechanical, electrical and plumbing services for San Francisco International Airport. This project is aiming for LEED Gold certification.
- We obtained a professional services contract for the reconstruction of the upper and lower levels of the toll plaza on the Henry Hudson Bridge between the states of New Jersey and New York.
- We will be providing professional services for the construction of a replacement railway bridge over the Croton River for Metro North railroad in suburban New York City, NY.

UNITED KINGDOM

We were pleased with the results of our UK team. Our UK operations continue to deliver in line with expectations as the overall market returned to growth following a decline after the Olympic boost. However, this growth is still fragile.

The Infrastructure market remains competitive in the London area, where a number of significant projects were put on hold. On the other hand, the development Infrastructure market appears to be recovering and seems to be relatively strong in the northern part of the country.

Public-sector Transportation continues to show positive, albeit slow, signs of recovery with more opportunities being received. The rail market, in which we are particularly strong, remains buoyant with opportunities coming from various parts of the country through both Network Rail and its contractors. The highways market has also improved with short, medium and long-term projects coming on line.

PROJECT SAMPLE

- We recently signed a joint venture contract to deliver the detailed design for the main contractor of the London Bridge redevelopment project, aimed at significantly increasing passenger flows through central London. This project involves the complete phased demolition and reconstruction of the existing London Bridge Station to create a street-level concourse.
- We have been appointed by EDF Energy ("EDF") to provide environmental permitting support for the new Hinkley Point C nuclear power station located in Somerset. This project involves working with EDF and the professional services design team to prepare an environmental permit application for wastewater discharge from a temporary sewage treatment works during the construction phase of the project.

NORTHERN EUROPE

Overall, European operations remained solid and performed according to expectations. The utilization rate is gradually improving.

In Sweden, performance was stable and in line with expectations. We were particularly pleased with activities in the Energy sector, which are especially strong. Going forward, the government indicated that it plans to invest in Mining and Infrastructure, which could present good opportunities for our operations in 2013.

We have reorganized our Finnish and German operations and have yet to see improvement in these markets.

PROJECT SAMPLE

- We have been awarded a contract to produce the detail design of Slussen bus terminal, one of Stockholm's busiest junctions, where approximately 300,000 travelers pass each day. We had previously completed the pedestrian studies and recently finished the preliminary design for the underground bus terminal.
- We will be providing multi-disciplinary professional services to Fortum Värme, Fortum's subsidiary co-owned together with the City of Stockholm, which is investing in a new biofuelled combined heat and power plant in Värtan, Stockholm. The new plant will replace some of the existing heat production with the less expensive biofuel alternative as well as increase Fortum Värme's total electricity production by approximately one third.
- We have been tasked with planning the first phase of the tramlines as well as the supporting land use and public transport system in Tampere and Turku, Finland. We will be drafting detailed general plans with impact assessments and cost estimates, which will serve as the basis to plan the building of the tramlines, as well as the required zoning and street design work.

REST OF THE WORLD

Middle East

The United Arab Emirates ("UAE") market continues to show movement with projects being awarded for design or re-assessed (in the case of projects halted during the 2008 recession), supported by rising oil prices. The factors driving public spending also include a commitment by the government to provide new housing for Emirati families.

In Qatar, planned spending remains high, particularly within the infrastructure and rail sectors. We are thus optimistic that we will secure a number of interesting projects. We have witnessed similar trends in Saudi Arabia and Oman, where we have been appointed to oversee construction of two Kempinski Hotels.

PROJECT SAMPLE

- We will be providing the design and supervision of the mechanical, electrical and plumbing professional services, as well as structural design and LEED sustainability for the Al Nasseria Community Mall in Sharjah (UAE).
- We have been tasked with the design and supervision of the residential refurbishment at the Pullman Deira City Centre Hotel in Dubai.
- We will be providing professional design services for the Downtown West development in Emaar, one of Dubai's highest-profile areas.

Australia and Asia

AUSTRALIA/NEW ZEALAND

Our operating performance was stable, despite having been affected by a slowdown during the summer holiday period. On the other hand, our natural resource-driven operations continue to be affected by low iron ore prices and by the introduction of a mining revenue tax in Australia.

PROJECT SAMPLE

- We have been awarded a contract for the building and embedded systems design services for Canon Australia's new corporate offices, a four-level project encompassing offices, laboratories and a data centre to be located in Sydney.

SOUTHEAST ASIA AND CHINA

Our Southeast Asian operations finished the year on a strong note, thanks to fairly good market conditions in most of Southeast Asia, with the exception of Vietnam, where the current banking sector consolidation continues to impact our operations.

PROJECT SAMPLE

- We will be providing professional services for the construction of the Four Seasons Residences, Bangkok, Thailand, a 57-storey, 938,600-ft^2 residential extension of the hotel on a brownfield site. The project also includes links to existing systems within the adjacent hotel and the relocation of existing systems affected by the building construction.
- In collaboration with the UK team, we have been mandated to provide design services including the civil/structure design for a 1,150-ft. tower which is part of a 4,305,600-ft^2 commercial/residential development in Shenzhen, China, designed by four international architects. We will also be providing building services designs for all the other elements of the development, which consist of various large retails stores, underground car parking and a design museum, as well as an another 600-ft office tower. Finally, we will be working on the facade design of most of the buildings of the development.

Africa

During the fourth quarter, the South African economy displayed a "wait and see" attitude amid uncertainties in the run-up to the ruling party elections in mid December. This was most evident in the private property industry, where most project decisions were postponed. Currency weakness also had an impact on local capital spending. Despite challenging market conditions, the African division's stable performance was underpinned by a strong performance in the Industrial industry.

PROJECT SAMPLE

- We have been mandated to review and update the planning for all national ports in South Africa.
- We have been awarded a contract for road maintenance by the South African National Roads Agency and we continue to increase the number of appointments by the South African National Roads Agency in upgrading local logistics infrastructure.

REVENUE SYNERGIES

Since the August 2012 closing, considerable time and effort have been directed towards revenue synergy activities and we are pleased with the progress we are making on coordination, communication and cooperation across our global business. Our wide staff engagement and communication of the revenue synergy plan is creating the right environment and developing the right culture for revenue synergies to flourish and also underpin our organic growth ambitions. Our main areas of focus have been around five key sectors, namely Industry, Energy, Mining, Aviation and Transportation and our global client management program. However, these focus areas are not exhaustive and we are witnessing high levels of collaboration and knowledge sharing across all our regions, sectors, clients and service lines.

Collaborative activities between WSP and GENIVAR have already led to a number of revenue synergy wins, including the following:

- Through Smith Carter, which is recognized as a world leader in designing high-containment laboratories needed to tackle existing and emerging infectious diseases in both humans and animals, and in collaboration with the UK team, we have secured the lead consultant commission for the Pirbright Institute for Animal Health, a new high-level containment laboratory located in Woking, Surrey.
- The Company's aviation expertise helped us be awarded a contract to provide peer review services for terminal stand design and associated infrastructure to New Doha International Airport City, in Qatar, an airport where WSP has been working since 2011.
- We will be providing expert advisory services, including the completion of an environmental assessment as well as the preparatory studies required for work planning purposes for the Nun's Island Bridge in Montreal, Canada. Our team will also be in charge of the design and drawings, specifications and tender-related documents prior to the awarding of the construction contract. Part of our submission included WSP's experience in footbridge structures for bridges over water.
- We have leveraged WSP's P3 healthcare expertise in the UK and have been appointed as multidisciplinary professional for two large hospital projects in Toronto, Canada (St-Michael's Hospital and Erinoaks Children's Hospital); both these contractor-led teams work with WSP in the UK healthcare market.
- Our combined mining expertise has led to a commission in Finland for our client Agnico Eagle at their Kittila mine in Northern Finland; WSP has a strong business presence in Finland.
- Through a joint bid between our Canadian and Swedish industrial teams we have secured a commission for a lignin extraction process plant in Thunder Bay, Canada. Key to this win was our ability to leverage global expertise.

Our global client management program is gaining traction across our new business as we continue to leverage strong global client relationships including Siemens, Oxford Properties, Ericsson, Brookfield Multiplex, Laing O'Rourke, Novozymes, Barclays and CBRE and demonstrate our ability to deliver a seamless service to our clients, wherever they operate in the world. Finally, the Company's strong relationship with Canadian pension funds has opened up significant global opportunities to support and advise these funds in their increasing appetite for direct investment in real estate and infrastructure projects.

RESULTS OF OPERATIONS

IN MILLIONS OF DOLLARS, EXCEPT NUMBER OF SHARES AND PER SHARE DATA	FOURTH QUARTER			YEAR		
	2012 without Unusual Items*	2012	2011	2012 without Unusual Items*	2012	2011
	FOR THE PERIOD FROM SEPTEMBER 30 TO DECEMBER 31	FOR THE PERIOD FROM SEPTEMBER 30 TO DECEMBER 31	FOR THE PERIOD FROM OCTOBER 2 TO TO DECEMBER 31	FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31	FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31	FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31
Revenues	$516.5	$516.5	$172.0	$1,257.5	$1,257.5	$651.9
Less: Subconsultants and direct costs	$104.6	$104.6	$39.3	$237.4	$237.4	$122.9
Net revenues**	**$411.9**	**$411.9**	**$132.7**	**$1,020.1**	**$1,020.1**	**$529.0**
Personnel costs	$308.4	$311.5	$92.6	$750.4	$753.5	$371.9
Other operational costs (1)	$60.5	$61.9	$18.6	$147.6	$161.3	$67.4
Share of income of associates	($2.3)	($2.3)	-	($3.3)	($3.3)	-
EBITDA**	**$45.3**	**$40.8**	**$21.5**	**$125.4**	**$108.6**	**$89.7**
Amortization of intangible assets	$8.6	$8.6	$4.5	$24.6	$24.6	$17.3
Depreciation of property, plant and equipment	$6.4	$6.4	$2.4	$16.2	$16.2	$8.0
Financial expenses	$3.9	$3.9	$1.0	$9.4	$9.4	$4.4
Share of depreciation of associates	$0.7	$0.7	-	$0.7	$0.7	-
Earnings before income taxes	**$25.7**	**$21.2**	**$13.6**	**$74.5**	**$57.7**	**$60.0**
Income tax expenses (recovery)	($1.2)	($2.2)	$3.6	$12.4	$10.7	$9.9
Share of tax of associates	$0.4	$0.4	-	$0.7	$0.7	-
Net earnings		**$23.0**	**$10.0**		**$46.3**	**$50.1**
Attributable to:						
- Shareholders		$23.1	$10.0		$46.3	50.1
- Non-controlling interests		($0.1)	-		-	-
Basic and diluted net earnings per share		**$0.45**	**$0.37**		**$1.15**	**$1.91**
Basic and diluted weighted average number of shares	51,000,772	51,000,772	26,841,888	40,312,474	40,312,474	26,233,234

* The financial results are presented before the impact of Unusual Items, as explained in the "WSP Transaction Summary" section.

** Non-IFRS measures are described in the "Glossary" section.

(1) The other operational costs include the operational exchange loss or gain and the interest income.

REVENUES

The Company's financial performance and results should be measured and analyzed in relation to fee-based revenues, or net revenues, since direct recoverable costs can vary significantly from contract to contract and are not indicative of the professional consulting services business. Net revenues are defined as revenues less subconsultants expenses and directs costs that are recoverable directly from the clients.

The following chart presents the net revenue progression between 2010 and 2012.

NET REVENUES *(in millions)*

The Company increased its revenues through business combinations. In addition to the Transaction, the Company acquired five other entities in 2012, compared to ten during 2011.

On January 1, 2012, the Company acquired all the outstanding shares of Consultores Regionales Asociados - CRA S.A.S. ("CRA"), which added 340 employees to its workforce. CRA, a top-tier Colombian firm in terms of size and reputation, is an professional services firm specialized in civil engineering, energy and telecommunications based in Bogotá, Colombia. This acquisition was part of the international growth strategy of the Company and represented an ideal platform in this region to build and grow the Company's activities in all industries.

On February 26, 2012, the Company acquired all the outstanding shares of Les Investissements R.J. Inc. ("Investissements R.J."), which added 10 staff members to the Company. This firm is based in Quebec and is specialized in mechanical and electrical engineering. This new expertise enabled the Company to meet the growing client demand in the Buildings sector.

On February 29, 2012, the Company acquired all the outstanding shares of GRB Engineering Ltd. ("GRB"), which added 80 employees to its workforce. GRB is a Calgary-based professional services firm specialized in engineering services and project management for the oil and gas industry. This acquisition fit very well in the Company's development strategy and strengthened the Company's leadership both in Alberta and in the Oil and Gas industry.

On March 14, 2012, the Company and a special purpose entity controlled by the Company acquired all the outstanding shares of Smith Carter Architects and Engineers Inc. and of Smith Carter (USA) LLC, collectively "Smith Carter," which added 190 employees. Smith Carter is an international leader in the areas of integrated architectural design and engineering. This firm has headquarters in Winnipeg and offices in Calgary and Ottawa in Canada, as well as in Atlanta and Washington, D.C. in the US. Smith Carter has designed some of the world's most complex buildings in some of its most challenging environments. With this transaction, the Company achieved two expansion objectives, which were to strengthen the Company's presence in Western Canada and enter the US market.

On June 15, 2012, a special purpose entity controlled by the Company acquired all the outstanding shares of North 46 Architecture Inc. ("North 46"), an Atlantic-based firm specialized in architecture, which enabled the Company to strengthen its presence in both architecture and engineering in Prince Edward Island.

The following tables summarize the impact of business combinations and organic growth on both revenues and net revenues:

REVENUES

	FOURTH QUARTER		YEAR	
IN MILLIONS OF DOLLARS, EXCEPT PERCENTAGES	Variation 2012 vs. 2011	%	Variation 2012 vs. 2011	%
Acquisition growth(1)	$362.1	210.5%	$624.0	95.7%
Organic growth(1)	($17.6)	(10.2%)	($18.4)	(2.8%)
Total increase	$344.5	200.3%	$605.6	92.9%

NET REVENUES

	FOURTH QUARTER		YEAR	
IN MILLIONS OF DOLLARS, EXCEPT PERCENTAGES	Variation 2012 vs. 2011	%	Variation 2012 vs. 2011	%
Acquisition growth(1)	$280.8	211.6%	$492.6	93.1%
Organic growth(1)	($1.6)	(1.2%)	($1.5)	(0.3%)
Total increase	$279.2	210.4%	$491.1	92.8%

(1) Acquisition growth is calculated from the average revenues per quarter of the acquired business at the acquisition date. The total growth of the Company that exceeds the acquisition growth is presented as organic growth.

Globally in 2012, the acquisition growth on revenues and net revenues, which surpassed the Company's target of 10-15%, was mainly attributable to the revenues generated following the acquisition of WSP.

In 2012, the Company generated negative organic growth on net revenues of 1.2% for the fourth quarter and flat organic growth for the year. In spite of difficult economic conditions in certain regions and markets, we are pleased with the overall performance of our business. WSP, on a stand-alone basis, generated for the fourth quarter and the year 2012 organic growth on net revenues of 8.2% and 4.9% respectively, as compared to the same period of 2011.

EXPENSES

Following the Transaction, the Management team analyzed the way both entities were disclosing operating results in their respective financial statements. Starting in the third quarter of 2012, the Company has modified the statement of earnings in order to offer a better understanding of the nature of the expenses incurred by the combined entity. As such, since the third quarter of 2012, gross margin is no longer disclosed. The comparative figures for the prior periods have been adjusted to conform to the new disclosure. These changes had no impact on the statements of cash flows and comprehensive income, and are only related to disclosure.

In this MD&A, expenses consist of two major components: 1) personnel costs and 2) other operational costs. Personnel costs include payroll costs for all employees related to the delivery of consulting services and projects, as well as administrative and corporate staff. Other operational costs include fixed costs such as, but not limited to, occupancy costs, non-recoverable client services costs, technology costs, professional insurance costs, operational exchange gain or loss on foreign currencies and interest income. Other operational costs also include transaction and integration costs related to business acquisitions.

Finally, the Company also incurs expenses such as depreciation of property, plant and equipment, amortization of intangible assets and financial expenses. EBITDA and net earnings, expressed as a percentage of net revenues, are some of the key performance indicators analyzed by Management.

The following table summarizes operating results expressed as a percentage of net revenues for the fourth quarters of and for the years 2012 and 2011.

	FOURTH QUARTER			YEAR		
	2012 without Unusual Items*	2012	2011	2012 without Unusual Items*	2012	2011
PERCENTAGE OF NET REVENUES	FOR THE PERIOD FROM SEPTEMBER 30 TO DECEMBER 31	FOR THE PERIOD FROM SEPTEMBER 30 TO DECEMBER 31	FOR THE PERIOD FROM OCTOBER 2 TO DECEMBER 31	FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31	FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31	FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31
Net revenues**	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Personnel costs	74.9%	75.7%	69.8%	73.5%	73.9%	70.3%
Other operational costs	14.7%	15.0%	14.0%	14.5%	15.8%	12.7%
Share of income in associates	(0.6%)	(0.6%)	-	(0.3%)	(0.3%)	-
EBITDA**	11.0%	9.9%	16.2%	12.3%	10.6%	17.0%
Amortization of intangible assets	2.1%	2.1%	3.4%	2.4%	2.4%	3.3%
Depreciation of property, plant and equipment	1.6%	1.6%	1.8%	1.6%	1.6%	1.5%
Financial expenses	0.9%	0.9%	0.8%	0.9%	0.9%	0.8%
Share of depreciation of associates	0.2%	0.2%	-	0.1%	0.1%	-
Income tax expenses (recovery)	(0.2%)	(0.5%)	2.7%	1.2%	1.1%	1.9%
Net earnings	6.4%	5.6%	7.5%	6.1%	4.5%	9.5%

* The financial results are presented before the impact of Unusual Items, as explained in the "WSP Transaction Summary" section.

** Non-IFRS measures are described in the "Glossary" section.

EBITDA

EBITDA without Unusual Items increased by 110.7% during the fourth quarter of 2012, compared to the same period in 2011. As a percentage of net revenues, EBITDA without Unusual Items was 11.0% for the fourth quarter of 2012, compared to 16.2% for the same quarter of 2011. Aggregate EBITDA margin stood at 9.9% for the fourth quarter of 2012. The decrease in the EBITDA margin is mainly explained by the Company's acquisition strategy, since it operates in new countries typically allowing in some regions for lower EBITDA margins.

EBITDA WITHOUT UNUSUAL ITEMS *(in millions)*

On a yearly basis, EBITDA without Unusual Items reached $125.4 million in 2012, compared to $89.7 million for the corresponding period of 2011.

In 2012, the Company realized an EBITDA margin of 12.3% excluding Unusual Items, compared to 17.0% for the same period of 2011. The WSP acquisition had a direct impact on the EBITDA margin for the year since operations in UK, US and the Rest of the World presented lower EBITDA margins.

FINANCIAL EXPENSES

The Company periodically requires financing to pursue its growth strategy and its general activities. As such, in June 2012, it entered into new credit facilities of $400.0 million to reach some of its growth and operational objectives and to complete the Transaction. Generally, the Company uses its credit facilities to acquire new entities and to manage the working capital. In fact, during 2012, the credit facilities were principally drawn down to reimburse the main WSP credit facility amounting to $151.5 million. Financial expenses expressed as a percentage of net revenues are stable in 2012 and 2011 since the Company presented a similar balance between debt and equity.

INCOME TAXES

For the fourth quarter ended December 31, 2012, the Company recorded an income tax recovery of $2.2 million, compared to an income tax expense of $3.6 million for the same period in 2011. The Company presented an income tax recovery following a decrease in the corporate tax rate in Sweden, where it generated operating results and has deferred income tax liabilities to present at a lower tax rate.

For the year 2012, the Company recognized an amount of $10.7 million as an income tax expense, compared to $9.9 million in 2011. As mentioned in the previous quarters, a deferred income tax recovery of $7.2 million or $0.28 per share was recognized in the consolidated statement of earnings in the first quarter of 2011, thus artificially decreasing the income tax expenses for 2011. Without the effect of the deferred income tax recovery, the income tax expenses would have been $17.1 million or $0.65 per share for the year 2011, with an effective tax rate of 28.5%. In 2012, the effective tax rate of the Company shown in the financial statements is lower than expected. As a matter of fact, the Company recorded during the fourth quarter an income tax recovery to reflect the decrease of the tax rate by 4.3% in Sweden. Unusual Items recorded during 2012 increased the income tax expenses for the full year.

NET EARNINGS AND NET EARNINGS PER SHARE

The Company's net earnings for the fourth quarter ended December 31, 2012, were $23.0 million or $0.45 per share on a basic and diluted basis, compared to net earnings of $10.0 million or $0.37 per share on a basic and diluted basis for the same quarter in 2011. For the fourth quarter of 2012, the Company recorded an aggregate exchange gain of $0.1 million, compared to an exchange loss of $0.6 million for the same period in 2011, explaining a net earnings variation of $0.7 million. Furthermore, an additional $2.0 million in amortization of intangible assets, excluding software, was recorded in the fourth quarter of 2012, as a result of the intangible assets accounted for following the WSP acquisition, which has directly impacted net earnings.

For the year 2012, the Company's net earnings were $46.3 million or $1.15 per share, compared to $50.1 million or $1.91 per share for the year 2011. In 2012, the Company accounted for exchange losses of $2.0 million, compared to an exchange gain of $1.0 million for the corresponding period of 2011, which negatively impacted net earnings. Net earnings for 2012 and 2011 were also impacted by Unusual Items. However, 2012 Unusual Items cannot be compared to the 2011 ones, and net earnings are not indicative of the Company's operating results for 2012 and 2011.

Earnings per share is a commonly used metric to measure company performance. However, Management believes that in the context of high-acquisition companies or consolidating industries such as the Engineering and Construction space, EBITDA, funds from operations and free cash flow per share are more effective measures to assess the performance of a firm. Some of these metrics will therefore be discussed later in the MD&A.

ADJUSTED NET EARNINGS AND ADJUSTED NET EARNINGS PER SHARE

The Company's objective is to eliminate one-time elements significantly impacting financial results. Management has therefore decided to present adjusted net earnings that eliminate the effect of significant Unusual Items, such as the transaction costs related to the acquisition of WSP, the integration and restructuring costs pertaining to the integrations of the Environment and Energy industries and WSP US companies, as well as the deferred income tax recovery accounted for in January 2011, following the plan of arrangement.

The following table reconciles the net earnings presented in the consolidated financial statements of the Company to the adjusted net earnings:

RECONCILIATION OF NET EARNINGS AND ADJUSTED NET EARNINGS

	FOURTH QUARTER		YEAR	
	2012	**2011**	**2012**	**2011**
IN MILLIONS OF DOLLARS, EXCEPT PER SHARE DATA	FOR THE PERIOD FROM SEPTEMBER 30 TO DECEMBER 31	FOR THE PERIOD FROM OCTOBER 2 TO DECEMBER 31	FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31	FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31
Net earnings	**$23.0**	**$10.0**	**$46.3**	**$50.1**
Transaction costs of WSP*	-	-	$12.3	-
Integration and restructuring costs*	$4.5	-	$4.5	-
Income taxes related to Transaction, integration and restructuring costs*	($1.0)	-	($1.7)	-
Deferred income tax recovery	-	-	-	($7.2)
Adjusted net earnings**	**$26.5**	**$10.0**	**$61.4**	**$42.9**
Adjusted net earnings per share**	**$0.52**	**$0.37**	**$1.52**	**$1.64**

* Transaction costs of WSP and integration and restructuring costs are explained in the "WSP Transaction Summary" section.

** Non-IFRS measures are described in the "Glossary" section.

Net earnings for the fourth quarter were impacted by integration and restructuring costs of $4.5 million. Adjusted net earnings stood at $26.5 million or $0.52 per share, compared to $10.0 million or $0.37 per share for the same period of 2011. Adjusted net earnings for 2012 were $61.4 million or $1.52 per share compared to $42.9 million or $1.64 per share in 2011, representing an increase of 43.1%, which is mainly explained by WSP operating results. Without the effect of aggregate exchange gain and loss, the increase in adjusted net earnings would have been $21.5 million, from 2011 to 2012, or $0.09 per share.

STATEMENTS OF FINANCIAL POSITION

IN MILLIONS OF DOLLARS	**2012** AS AT DECEMBER 31	**2011** AS AT DECEMBER 31	**Variation** $
Total assets	$1,812.0	$726.0	$1,086.0
Financial liabilities(1)	$254.8	$74.3	$180.5
Less: Cash and cash equivalents	($127.7)	(144.0)	$16.3
Net debt (cash)	$127.1	($69.7)	$196.8

(1) Financial liabilities consist of a loan payable, notes payable, balances payable to former shareholders, obligations under finance leases, other obligations and long-term debts, including current portions, bank overdraft and bank advances.

The Company's statement of financial position remains strong with equity standing at $919.1 million, up from $501.4 million one year earlier, following the acquisition of WSP and the issuance on August 1, 2012, of 17,585,610 common shares at $24.00 per share for gross proceeds of $422.1 million.

As at December 31, 2012, the Company's statement of financial position showed a good mix of debts and equity. It had a net debt position of $127.1 million. The Company's ratio of net debt to EBITDA on a combined trailing twelve month basis stood at 0.8x, which represents a significant improvement since the Transaction was completed on August 1, 2012.

DIVIDENDS

Since the beginning of 2011, the Company has declared a quarterly dividend of $0.375 per common share. The last dividend was declared in November 2012 and paid in January 2013. The aggregate dividends declared in the fourth quarter of 2012 were $19.1 million, compared to $12.2 million for the corresponding period of 2011. At the end of the fourth quarter of 2012, 51,056,441 shares were issued and outstanding, compared to 50,751,899 as at September 29, 2012. During the fourth quarter, part of the third quarter dividend paid was reinvested into 304,542 common shares under the dividend reinvestment plan ("DRIP"). Holders of 19,059,466 shares, representing 37.3% of all outstanding shares as at December 31, 2012, elected to participate in the DRIP. As a result, from the total dividends paid in January 2013, $7.1 million was reinvested in shares of the Company. The net cash outflow was $12.0 million for the fourth quarter dividend payment.

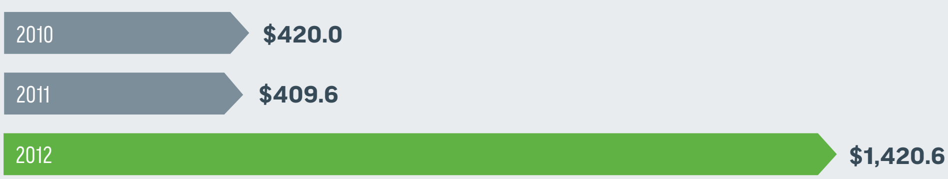
The Company declared, for the years 2012 and 2011, dividends of $1.50 per share representing $62.8 million in 2012, compared to $41.6 million for the same period of 2011. During 2012, the number of outstanding shares increased considerably since all the subscription receipts issued in June 2012, following a bought-deal and a private placement, were automatically converted into common shares of the Company following the completion of the Transaction on August 1, 2012, increasing the number of outstanding shares by 17,585,610.

The Board of Directors (the "Board") has determined that the current level of quarterly dividend is appropriate based on the Company's current earnings and financial requirements for the Company's operations. The dividend is currently expected to remain at this level subject to the Board's ongoing assessment of the Company's future requirements, financial performance, liquidity, outlook and other factors that the Board may deem relevant. The payment of each quarterly dividend will remain subject to declaration of that dividend by the Board. The actual amount of each quarterly dividend, as well as each declaration date, record date and payment date is subject to the discretion of the Board. Some information in this section constitute forward-looking information. Please refer to the "Forward-Looking Statements" section of this MD&A.

BACKLOG

As at December 31, 2012, the backlog, which represents future revenues that stem from existing signed contracts to be completed, stood at $1,420.6 million and included $880.0 million from WSP entities. This represents an increase of $1,011.0 million or 246.8% in the fourth quarter of 2012, compared to a backlog of $409.6 million as at December 31, 2011. The backlog for the fourth quarter of 2012 increased by $60.6 million from $1,360.0 million at the end of the third quarter of 2012. As at December 31, 2012, the backlog represented approximately 8.9 months of upcoming work and included 8.8 months for WSP's upcoming work. In addition to that, the Company has a "soft backlog" of $455.0 million, which is not included in the reported backlog. The soft backlog relates to master service agreements signed with clients, for which the value of work to be carried out is not specified.

BACKLOG *(in millions)*



FUNDS FROM OPERATIONS AND FREE CASH FLOW

	FOURTH QUARTER			YEAR		
	2012 without Unusual Items*	2012	2011	2012 without Unusual Items*	2012	2011
IN MILLIONS OF DOLLARS, EXCEPT PER SHARE DATA AND NUMBER OF SHARES	FOR THE PERIOD FROM SEPTEMBER 30 TO DECEMBER 31	FOR THE PERIOD FROM SEPTEMBER 30 TO DECEMBER 31	FOR THE PERIOD FROM OCTOBER 2 TO DECEMBER 31	FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31	FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31	FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31
Cash flows from operating activities	$106.9	$101.8	$53.1	$109.1	$96.0	$72.4
Excluding:						
Change in non-cash working capital items	($59.7)	($59.1)	($36.6)	$0.1	($3.6)	($4.6)
Funds from operations**	**$47.2**	**$42.7**	**$16.5**	**$109.2**	**$92.4**	**$67.8**
Funds from operations per share**	**$0.93**	**$0.84**	**$0.61**	**$2.71**	**$2.29**	**$2.58**
Less:						
Change in non-cash working capital items	$59.7	$59.1	$36.6	($0.1)	$3.6	$4.6
Capital expenditures	($8.7)	($8.7)	($6.0)	($19.6)	($19.6)	($12.4)
Free cash flow**	**$98.2**	**$93.1**	**$47.1**	**$89.5**	**$76.4**	**$60.0**
Free cash flow per share**	**$1.93**	**$1.83**	**$1.75**	**$2.22**	**$1.90**	**$2.29**
Basic weighted average number of shares	51,000,772	51,000,772	26,841,888	40,312,474	40,312,474	26,233,234

* Funds from operations and free cash flow are presented before the impact on cash flows of Unusual Items, as explained in the "WSP Transaction Summary" section.

** Non-IFRS measures are described in the "Glossary" section.

FUNDS FROM OPERATIONS

Funds from operations is a measure used by the Company to provide Management and investors with a proxy of cash generated from operating activities before changes in non-working capital items.

For the fourth quarter of 2012, the Company generated funds from operations of $42.7 million or $0.84 per share, compared to $16.5 million or $0.61 per share for the same period in 2011. It generated enough funds from operations to pay a quarterly dividend of $0.375 per share to shareholders. Had the Company excluded Unusual Items and their impacts on cash flows, the Funds from operations generated during the fourth quarter would have been $0.09 per share higher. The DSO improvement increased the cash generated from operations for the quarter.

Funds from operations generated during 2012 were $109.2 million or $2.71 per share without Unusual Items or $92.4 million or $2.29 per share, compared to $67.8 million or $2.58 per share in 2011. Funds from operations without Unusual Items generated for 2012 were sufficient to declare total dividends of $1.50 per share.

FREE CASH FLOW

Free cash flow represents an indication of the Company's continuing capacity to generate discretionary cash from operations, and is defined as cash flows from operating activities less maintenance capital expenditures that are recurrent cash outflows quarter-over-quarter. It represents cash flows for the period available for the suppliers of capital, which are the creditors and shareholders.

For the fourth quarter of 2012, the Company's free cash flow was $93.1 million or $1.83 per share, compared to $47.1 million or $1.75 per share for the same period in 2011. Unusual Items amounting to $5.1 million paid during the fourth quarter of 2012 had a negative impact on free cash flow of $0.10 per share. The free cash flow increase could be explained mainly by the improvement of the DSO during the fourth quarter of 2012. The free cash flow for 2012 was $76.4 million or $1.90 per share, compared to $60.0 million or $2.29 per share for the same period in 2011. The payment of some Unusual Items had a direct impact on the free cash flow available to creditors and shareholders for the fourth quarter and the year 2012. Without these items, free cash flow for the fourth quarter and the year 2012 would have been $98.2 million or $1.93 per share and $89.5 million or $2.22 per share, respectively. The Company generated sufficient free cash flow to declare and pay total dividends of $1.50 per share.

LIQUIDITY

	FOURTH QUARTER		YEAR	
	2012	**2011**	**2012**	**2011**
IN MILLIONS OF DOLLARS	FOR THE PERIOD FROM SEPTEMBER 30 TO DECEMBER 31	FOR THE PERIOD FROM OCTOBER 2 TO DECEMBER 31	FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31	FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31
Cash flows generated from operating activities	$101.8	$53.1	$96.0	$72.4
Cash flows generated from (used in) financing activities	($23.8)	$84.5	$339.5	$74.0
Cash flows used in investing activities	($7.3)	($14.0)	($459.8)	($29.4)
Effect of exchange rate change on cash and cash equivalents	$1.9	($0.1)	$1.6	-
Net change in cash position	**$72.6**	**$123.5**	**($22.7)**	**$117.0**
Dividends paid	**$12.3**	**$9.9**	**$42.7**	**$41.6**
Capital expenditures	**$8.7**	**$6.0**	**$19.6**	**$12.4**

CASH FLOWS GENERATED FROM OPERATING ACTIVITIES

For the fourth quarter ended December 31, 2012, operating activities generated $101.8 million of cash, compared to $53.1 million for the same period in 2011. EBITDA for the fourth quarter of 2012 totalled $40.8 million, as compared to $21.5 million for the same period in 2011, which represents a positive variation in cash of $19.3 million, mainly attributable to the EBITDA generated by WSP operations for the fourth quarter. The Company recovered $5.1 million of income taxes in the fourth quarter of 2012, compared to income taxes paid of $5.0 million for the same period of 2011, representing an improvement in cash of $10.1 million. During the quarter, the Company made cash contributions to defined benefit pension schemes of $1.9 million related to WSP pension plans. The non-cash working capital items had a significant positive impact on cash flows of $59.1 million for the fourth quarter of 2012, as compared to $36.6 million for the same period of 2011, representing an improvement of $22.5 million in cash available for the Company.

Cash flows from operating activities for the full year increased by $23.6 million, from $72.4 million in 2011 to $96.0 million in 2012. The EBITDA stood at $108.6 million for 2012, compared to $89.7 million for the same period of 2011, positively impacting the cash flows generated from operating activities by $18.9 million. In 2012, the Company paid $11.8 million of income taxes, compared to $21.8 million for the same period of 2011, representing an improvement in cash of $10.0 million. Following the Transaction, the Company made cash contributions to defined benefit pension schemes of $4.0 million. The non cash working capital items had no significant impact on cash flows for 2012 compared to 2011.

DSO represented approximately 97 days of annual sales, which is lower than the previous quarter by 10 days and lower by 15 days when compared to the fourth quarter of 2011. The DSO for WSP operations stood at 93 days at the end of the quarter. Management worked hard during the year to achieve its objective to finish below 100 days by the end of the year.

CASH FLOWS GENERATED FROM (USED IN) FINANCING ACTIVITIES

For the fourth quarter ended December 31, 2012, financing activities used $23.8 million in cash, compared to $84.5 million generated for the same period in 2011. In December 2011, the Company issued 6,500,000 common shares following a private placement for a net proceeds of $154.4 million. The Company also reimbursed a part of its credit facilities in 2011, decreasing the cash available by $53.9 million, compared to $6.5 million in the fourth quarter of 2012. The dividend payment increased by $2.4 million from $9.9 million in the fourth quarter of 2011 to $12.3 million for the same quarter of 2012, explaining a cash deterioration in the same amount.

For the year 2012, cash flows generated from financing activities were $339.5 million, compared to $74.0 million in 2011. The Company drew down $158.1 million from its credit facilities in 2012, excluding the repayment of the WSP bank advances amounting to $151.5 million, which have no significant effect on the cash flows, compared to $4.3 million for the corresponding period of 2011. It paid dividends to shareholders during both years for an approximate amount of $42.0 million. For 2012, the Company issued common shares for an aggregate amount of $401.3 million, mainly attributable to the conversion of the subscription receipts issued in the context of the Transaction, compared to a total amount of $155.3 million for the same period of 2011. The 2011 amount was mainly related to the private placement realized in December 2011 with two Canadian institutions.

CASH FLOWS USED IN INVESTING ACTIVITIES

For the fourth quarter ended December 31, 2012, investing activities used $7.3 million of cash, compared to $14.0 million for the corresponding period of 2011. During the fourth quarter of 2011, the Company invested $7.9 million in business combinations, while during the same quarter of 2012, it did not complete any business combinations. The Company acquired approximately $8.7 million of intangible assets and property, plant and equipment during the fourth quarter of 2012, compared to $6.0 million for the same period of 2011, increasing cash flows used in investing activities. Investments in capital expenditures are required to update technology, systems and equipment used by employees.

In 2012, cash flows used in investing activities were $459.8 million, compared to $29.4 million in 2011. In 2012, the Company completed business combinations for a total amount of $408.0 million, mainly through the acquisition of WSP, compared to $19.9 million in 2011. In 2012, the Company used a cash amount of $33.6 million on the market prior to the closing of the Transaction to invest in other companies, the majority of that amount being used to acquire the first investment in WSP shares. The Company acquired approximately $19.6 million of intangible assets and property, plant and equipment during 2012, compared to $12.4 million for the same period of 2011, increasing cash flows used in investing activities.

CAPITAL RESOURCES

NET CASH POSITION

As at December 31, 2012, the Company's net cash position was negative and stood at $91.4 million, as detailed hereafter:

IN MILLIONS OF DOLLARS	2012 AS AT DECEMBER 31	2011 AS AT DECEMBER 31
Cash and cash equivalents	$127.7	$144.0
Bank overdraft	($6.4)	-
Bank advances	($212.7)	($50.0)
Net cash position	**($91.4)**	**$94.0**

The net cash position at the end of December 2012 was lower than at the end of 2011, as the Company acquired all of the outstanding shares of WSP, refinanced WSP debts through its credit facilites and paid dividends to shareholders. In 2011, the Company had substantial cash following the private placement realized in December 2011. However, credit facilities and the cash available at the end of December 2012 will allow the Company to pay dividends to shareholders while still considering potential business acquisitions.

CREDIT FACILITIES

On June 7, 2012, the Company entered into new credit facilities with a syndication of financial institutions providing for a committed credit facility in the maximum amount of $400.0 million. The credit facilities were available (i) to finance a portion of the consideration payable on the closing date of the Transaction; (ii) to repay any outstanding amounts due under the existing credit agreement; (iii) to refinance all or part of the existing indebtedness of WSP; (iv) to finance the costs of the Transaction; (v) to finance future business acquisitions; and, (vi) for general corporate purposes, including to finance working capital and capital expenditure requirements.

Under the credit facilities, the Company may issue irrevocable letters of credit up to $40.0 million, which in effect decreases such available credit facilities. As at December 31, 2012, the Company had issued, in the normal course of business, irrevocable letters of credit totalling $3.6 million for its own commitments, thus decreasing such available credit facilities.

The revolving credit facilities have a four-year term and mature in June 2016. After the maturity date, the term can be extended for an additional one-year period, subject to the approval of the lenders.

The credit facilities are secured by a first ranking hypothec over the universality of the movable assets of the Company and some of its subsidiaries. The credit facilities bear interest at Canadian prime rate, US-based rate and LIBOR plus an applicable margin up to 2.5% that will vary depending on the type of advances and the Company's ratios, as defined in the agreement. The Company pays a commitment fee on the available credit facilities.

Under these credit facilities, the Company is required, among other conditions, to respect certain covenants on a consolidated basis. The main covenants are in regard to its consolidated funded debt to consolidated EBITDA and the fixed charge coverage ratios. Management reviews compliance with these covenants on a quarterly basis in conjunction with filing requirements under its credit facilities. All covenants were met as at December 31, 2012.

At the acquisition date, WSP had a committed syndicated facility amounting to $238.2 million (£152.5 million) and some additional minor facilities with local relationship banks in the countries in which it operates. During the third quarter of 2012, the credit facilities were used to pay WSP's main credit facility. This facility was closed shortly after the acquisition. As at December 31, 2012, the Company had available credit facilities coming from acquisitions amounting to $8.8 million, of which $1.4 million were unused at year end. As at December 31, 2012, the Company had unused credit facilities of $185.1 million.

SUMMARY OF QUARTERLY RESULTS

		2012				2011			
	TOTAL	**Q4***	**Q3**	**Q2***	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
IN MILLIONS OF DOLLARS, EXCEPT PER SHARE DATA	TWELVE MONTHS	FOR THE PERIOD FROM SEPTEMBER 30 TO DECEMBER 31	FOR THE PERIOD FROM JULY 1 TO SEPTEMBER 29	FOR THE PERIOD FROM APRIL 1 TO JUNE 30	FOR THE PERIOD FROM JANUARY 1 TO MARCH 31	FOR THEPERIOD FROM OCTOBER 2 TO DECEMBER 31	FOR THEPERIOD FROM JULY 3 TO OCTOBER 1	FOR THEPERIOD FROM APRIL 3 TO JULY 2	FOR THE PERIOD FROM JANUARY 1 TO APRIL 2
RESULTS OF OPERATIONS									
Revenues	$1 257.5	$516.5	$396.1	$181.2	$163.7	$172.0	$173.1	$157.5	$149.3
Net revenues**	$1 020.1	$411.9	$321.4	$149.7	$137.1	$132.7	$138.6	$131.1	$126.6
EBITDA**	$108.6	$40.8	$37.8	$8.8	$21.2	$21.5	$26.6	$21.6	$20.0
Net earnings (loss)	$46.3	$23.0	$16.2	($3.0)	$10.1	$10.0	$14.1	$10.0	$16.1
Basic and diluted net earnings (loss) per share	$1.15	$0.45	$0.36	($0.09)	$0.31	$0.37	$0.54	$0.38	$0.62
DIVIDENDS									
Dividends declared	$62.8	$19.1	$19.0	$12.4	$12.3	$12.2	$9.8	$9.8	$9.8
Dividends declared, per share	$1.50	$0.38	$0.38	$0.38	$0.38	$0.38	$0.38	$0.38	$0.38

* The 2012 second and fourth quarter financial results included Unusual Items of $12.3 million and $4.5 million respectively, with income tax effects of $0.7 million and $1.0 million respectively, pertaining to the Transaction.

** Non-IFRS measures are described in the "Glossary" section.

During the last eight quarters, the Company increased its revenues and net revenues through many business combinations and generated acquisition growth on net revenues. The Transaction, completed in August 2012, had a significative impact on revenues and net revenues for the third and fourth quarters of 2012. Net revenues were also impacted by organic growth. In 2012, organic growth was lower than in 2011, which may be explained by the highly competitive environment.

Many factors influence the EBITDA margin generated, such as project mix, pricing, competitive environments, project execution and cost increases. The EBITDA margin for the last eight quarters varied from quarter to quarter between 11.0% and 19.2%, excluding the effect of Unusual Items in the second and the fourth quarters of 2012. The EBITDA margin for the quarters following the WSP acquisition decreased, as WSP's EBITDA margin is lower than GENIVAR's. The EBITDA margin is also impacted by foreign exchange gain or loss and employee productivity. Unusual Items of $15.1 million net of income taxes had a direct impact on net earnings for the second and fourth quarters of 2012.

Each quarter, the Company declared a dividend of $0.375 per share. The total amount declared increased in the fourth quarter of 2011 with the shares issued following the December 2011 private placement. The conversion of the subscription receipts in the third quarter of 2012 also increased the Company's number of outstanding shares, thus increasing the aggregate dividends declared.

ANALYSIS OF SELECTED ANNUAL INFORMATION

Selected information is presented below for each of the last three years ended on December 31.

IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE/UNIT DATA	2012 FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31	2011 FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31	2010 FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31
Revenues	$1,257.5	$651.9	$580.4
Net revenues*	$1,020.1	$529.0	$469.5
Net earnings	$46.3	$50.1	$51.0
Net earnings per share/unit			
Basic	$1.15	$1.91	$2.81
Diluted	$1.15	$1.91	$2.26
Total assets	$1,812.0	$726.0	$591.8
Financial liabilities(1)	$254.8	74.3	$74.9
Dividends/Distributions			
Dividends declared to shareholders	$62.8	$41.6	-
GENIVAR Income Fund's units distribution	-	-	$37.1
Exchangeable LP Units distributions	-	-	$18.6

* Non-IFRS measures are described in the "Glossary" section.

(1) Financial liabilities consist of a loan payable, notes payable, balances payable to former shareholders, obligations under finance leases, other obligations and long-term debts, including current portions, bank overdraft and bank advances.

Revenues and net revenues increased through organic growth and business combinations completed in 2012, 2011 and 2010. All business combinations had a direct impact not only on revenues but also on total assets since assets acquired, intangible assets and goodwill are recorded after each business combination. In 2012, six business combinations were completed for a total consideration of $477.7 million, compared to ten business combinations totalling $27.6 million in 2011 and ten combinations for $71.5 million in 2010.

Net earnings decreased from 2010 to 2012 while revenues increased by 116.7%. In the last three years, net earnings were impacted by specific non recurring items. Specifically, 2010 net earnings were positively impacted by a net gain of $3.9 million related to the reclassification as a financial liability of the Company's investment in LP Units held by the non-controlling interest of the previous GENIVAR Income Fund. For 2011, as previously noted, a deferred income tax recovery of $7.2 million was recognized in the statement of earnings, increasing the net earnings. Finally, in 2012, the Company accounted for $16.8 million of acquisition-related costs pertaining to WSP business combinations and integration costs with income taxes amounting to $1.7 million. Without Unusual Items, the net earnings would have been $61.4 million, representing an increase of $18.5 million compared to the adjusted net earnings of 2011.

In 2010, 2011 and 2012, the Company used its credit facilities to finance operations and business combinations. At the end of 2011, the bank advances were partially reimbursed following the issuance of common shares to two Canadian institutional investors for a cash consideration. In January 2012, the Company reimbursed the remaining bank advances. Following the Transaction, it drew down on its credit facilities to reimburse WSP's credit facility. In 2010, the Company declared a distribution of $2.05 per unit to unitholders compared to dividends of $1.50 per common share to the shareholders in 2011 and 2012.

GOVERNANCE

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"). Management carried out an evaluation of the effectiveness of the Company's DC&P as at December 31, 2012, as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings. Based on this evaluation, the CEO and CFO concluded that the design and operation of the Company's DC&P were effective.

The CEO and CFO have designed DC&P or have caused them to be designed under their supervision to provide reasonable assurance that:

- Material information related to the Company is made known to them by others, particularly during the period in which the interim filings are being prepared; and
- Information required to be disclosed by the Company's annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

The CEO and CFO have also designated ICFR or have caused them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. According to this, Management does not expect that ICFR will prevent or detect all errors of fraud. Management has used the Internal Control Integrated framework to evaluate the effectiveness of ICFR, which is a recognized and sustainable framework developed by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Management has evaluated the design and operations of the Company's ICFR as at December 31, 2012, and has concluded that such ICFR are effective. There are no material weaknesses that have been identified by Management in this regard.

The CEO and the CFO have limited the scope of their design of DC&P and ICFR to exclude controls, policies and procedures of WSP, which was acquired on August 1, 2012, as permitted by the Canadian Securities Administrators' National Instrument 52-109 for 365 days following an acquisition.

There were no changes in the Company's ICFR that occurred during 2012, that have materially affected, or are reasonably likely to materially affect, the Company's ICFR. Controls will continue to be periodically analyzed in order to sustain a continuous improvement.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board has oversight responsibilities for reported information. Accordingly, the Audit Committee and the Board of the Company have reviewed and approved the audited consolidated financial statements for the years ended December 31, 2012, and 2011, and this MD&A, before their publication.

UPDATE ON THE CHARBONNEAU COMMISSION AND INTERNAL REVIEW

As disclosed in the Company's MD&A for the third quarter ended September 30, 2012, the Company is following closely the hearings of the Commission, a public inquiry examining certain practices in the Quebec construction industry and a Special Committee of the Board was formed to review any internal or external allegation of illegal conduct, including any allegation made in the context of the Commission. In November 2012, the Unité Permanente Anti-Corruption executed search warrants in the Company's offices located in the City of Laval in the province of Quebec in relation to certain contracts awarded in the City of Laval. On February 11, 2013, the Company announced that it was in possession of new information confirming that inappropriate conduct in the province of Quebec in the financing of political parties and the awarding of municipal contracts had occurred in the past. On or about February 28, 2013, the Competition Bureau executed search warrants at the Company's offices located in Gatineau and Quebec City. An internal investigation is being carried out under the direction and oversight of the Special Committee of the Board and its external independent counsel.

Through its internal investigation, the Company has to date become aware of facts which, while still under investigation, may constitute evidence of a limited number of improper financial political contributions made to at least one municipal political party; the inappropriate reimbursement by the Company of a limited number of political contributions made by employees of the Company; doubtful invoices used in order to fund improper political contributions in certain instances; and improper practices for the award of certain municipal contracts in the past. At this time, the Company is aware that there may be up to seventeen of such doubtful invoices representing an amount of approximately $520,000 between 2005 and 2009. The Company has to date also become aware of breaches of the Code of Conduct of the Company in the context of the foregoing, including by officers of the Company, in the past.

The foregoing represent the facts that the Company is aware of as of the date hereof. Additional facts may become known to the Company in the context of the Company's ongoing internal investigation, any investigation conducted by government authorities or the Commission.

The Company met with its external auditors to inform them of the facts disclosed above. On the basis of such facts, the Company concluded that no adjustment or restatement of its historical financial statements is required. For 2012, municipal work for the greater Montreal region contributed to approximately 1% of the Company's consolidated revenues and the Company derived approximately 8% of its consolidated revenues from the province of Quebec's public sector.

The Company does not tolerate any improper business practices and is committed to ethical business conduct in all that it does. Based upon the recommendations of the Special Committee, Management has already taken certain actions and will continue to do so, to avoid such conduct or improper business practices to occur in the future, including:

- appropriate measures concerning the employees involved in improper conduct, including with respect to an officer who is no longer with the Company;
- the nomination of a Chief Ethics Officer with a direct reporting line to the audit committee;
- the implementation of a competition compliance program;
- the reinforcement of its ongoing procedures and controls regarding treatment and approvals of invoices and payments and certifications regarding political contributions;
- the implementation of its Canadian enterprise risk management systems policy to the Company's global operations;
- the revision of the Company's Code of Conduct and Whistleblower Policy and their respective application to ensure compliance with best practices;
- the revision of anti-bribery and anti-corruption practices and implementation of a global policy in that respect; and
- the development of a document retention strategy and action plan.

The Company's business practices will continue to be analyzed and additional changes and control measures may also need to be implemented in the future. See "Risk Factors" section for more details.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are described in notes 2 and 3 of the audited consolidated financial statements for the year ended December 31, 2012.

The preparation of the financial statements requires Management to make estimates and judgments that affect the reported amounts of assets and liabilities and equity and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgments are continually evaluated and are based on historical trends and other factors, including expectation of future events that are likely to materialize under reasonable circumstances. Accounting estimates will, by definition, seldom equal the actual results.

The following discussion sets forth Management's:

- Most critical estimates and assumptions in determining the value of assets and liabilities; and
- Most critical judgments in applying accounting policies.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company must make an assessment of whether accounts receivable are recoverable from customers. Accordingly, Management establishes an allowance for estimated losses arising from non-payment, taking into consideration customer creditworthiness, current economic trends and past experience. If future collections were to differ from estimates, future earnings would be adjusted accordingly. As at December 31, 2012, the allowance was $4.2 million of the gross trade accounts receivable balance of $422.2 million, compared to an allowance of $5.3 million of gross trade receivable of $187.2 million in 2011. An increase to the reserve based on 1.0% of accounts receivable would decrease earnings by approximately $4.2 million for the year ended December 31, 2012, compared to $1.9 million for the same period of 2011.

Furthermore, in 2012, trade receivables from one government agency that represent a net amount of $12.1 million have been outstanding for more than 36 months, compared to $13.3 million in 2011 for the same agency. In assessing the value of these accounts, Management has used different assumptions about when those amounts will be collected and the percentage that can be recovered. Management believes, taking into account all actions that are being undertaken, that the net carrying amount can be recovered. Further information is available in the "Financial instruments" section of this MD&A.

OTHER IDENTIFIABLE INTANGIBLE ASSETS AND GOODWILL

Identifiable intangible assets and goodwill, excluding software and non-competition agreements, represented $833.3 million of total assets on the consolidated statement of financial position as at December 31, 2012. These assets arise out of business combinations. The Company had a total consideration transferred of $477.7 million for the 2012 business acquisitions and applied the acquisition method of accounting to these transactions. In measuring the fair value of the assets acquired and the liabilities assumed and estimating their useful lives, Management used significant estimates and assumptions regarding cash flow projections, economic risk and weighted cost of capital.

These estimates and assumptions determine the amount allocated to other identifiable intangible assets and goodwill, as well as the amortization period for identifiable intangible assets with finite lives. If results differ from estimates, the Company may record an increase in amortization or impairment charges.

COST AND ANTICIPATED PROFITS IN EXCESS OF BILLINGS

The Company values its costs and anticipated profits in excess of billings based on the time and materials charged into each project. The costs and anticipated profits in excess of billings for each project are reviewed on a monthly basis to determine whether the amount is a true reflection of the amount that will be invoiced on the project. Where the review determines that the value of costs and anticipated profits in excess of billings exceed the amount that can be invoiced, adjustments are made to the costs and anticipated profits in excess of billings. The valuation of the costs and anticipated profits in excess of billings involves estimates of the volume of work required to complete the project. Errors in the estimation of work required to complete the projects could lead to the undervaluation or overvaluation of costs and anticipated profits in excess of billings.

INCOME TAXES

CURRENT INCOME TAXES

The Company is subject to income tax laws and regulations in several jurisdictions. Judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due in the future. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities. If the position taken in tax returns changes, the Company may increase the income tax expense accounted for in the financial statements.

DEFERRED TAX ASSETS

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's most recent approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Company operates are also carefully taken into consideration. If a forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, this deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by Management based on the specific facts and circumstances. If the facts and circumstances changed, the Company may decrease deferred income tax expenses accounted for in the financial statements.

INTANGIBLE ASSETS

Software, customer relationships, contract backlogs and non-competition agreements are considered intangible assets with finite useful lives. If the Company's estimated useful lives of these assets were incorrect, the Company could experience increased or reduced charges of amortization of intangible assets with finite useful lives in the future. Based on the strength, long history and expected future use, the trade name is an indefinite-lived intangible asset and accordingly is not subject to amortization.

IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets that have a finite useful life are reviewed for impairment when events or circumstances indicate that the carrying amount may not be recoverable. Indefinite-lived assets are not subject to amortization but are tested for impairment on an annual basis in the fourth quarter, or more frequently if events or circumstances indicate that the carrying value may not be recoverable. Impairment exists when the recoverable amount of an asset is less than its carrying value. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units or "CGU"). The amount of impairment loss, if any, is the excess of the carrying value over its recoverable amount. Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. As at December 31, 2012, no impairment exists.

GOODWILL

Goodwill represents the excess of the consideration transferred for the acquired businesses over the estimated fair value at the acquisition date of net identifiable assets acquired. Goodwill is not subject to amortization and is carried at cost less accumulated impairment loss but is tested for impairment on an annual basis or more frequently if events or circumstances indicate that it might be impaired.

For the purpose of impairment testing, goodwill is allocated to each CGU expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually during the fourth quarter. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill cannot be reversed in a subsequent period.

The Company performed its annual impairment test for goodwill in the fourth quarter of 2012. The recoverable value of each CGU exceeded their carrying values. As a result, no goodwill impairment was recorded.

The recoverable value of each CGU was based on fair value less costs to sell. The following methodology and assumptions were applied to determine the fair value less costs to sell for all CGUs.

The fair value less costs to sell is calculated using the 2013 net revenues and EBITDA margin budgeted and a constant growth for the next four years by CGU. The Company considered past experience, economic trends as well as industry and market trends in assessing if the level of EBITDA can be maintained in the future. For the purpose of this test, Management used a five-year period to project future cash flows. Beyond this period, the Company uses a growth rate varying between 2.0% to 5.0% with an EBITDA margin varying between 6.5% and 12.4%. The Company also uses a discount rate varying between 9.5% and 11.1%. The discount rate represents the weighted average cost of capital ("WACC") that was used at the acquisition date. The WACC is an estimate of the overall rate of return required by debt and equity holders on their investments. Determining the WACC requires analyzing the cost of equity and debt separately, and takes into account a risk premium that is based on the applicable CGU. Costs to sell are calculated based on 1% of the total fair value so determined, which is in line with the transaction costs incurred in past acquisitions. As WSP was acquired on August 1, 2012, some key assumptions included in this test are the same as the ones used for the preliminary assessment of the fair value at the acquisition date. As such, the carrying value of the related CGU does not materially exceed its recoverable amount.

RETIREMENT BENEFIT OBLIGATIONS AND RELATED DEFERRED TAX

The present value of obligations is calculated on an actuarial basis, which depends on a number of assumptions relating to the future such as the rate of increase in pensionable salaries, rate of increase in pensions payment, discount rate, expected return on plan assets and life expectancy. These key assumptions are assessed regularly according to market conditions and data available to Management. Different assumptions and changes in circumstances could create material differences in the Company's results of operations.

FUTURE ACCOUNTING STANDARDS

The following standards have been issued, but were not yet effective as at December 31, 2012:

- IFRS 9, "Financial Instruments," cover the classification and measurement of financial assets and financial liabilities.
- IFRS 10, "Consolidated Financial Statements," builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.
- IFRS 11, "Joint Arrangements," addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities.
- IFRS 12, "Disclosure of Interests in Other Entities," provides guidance on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
- IFRS 13, "Fair Value Measurement," sets out a framework for fair value measurement and specifies disclosures related to fair value measurement.
- IAS 28, "Investment in Associates and Joint Ventures." This standard has been modified to include joint ventures in its scope and to address the changes brought to other standards.
- IAS 19, "Employee Benefits," has been amended to make significant changes to the recognition and measurement of defined benefit pension expense and termination benefits and to enhance the disclosure of all employee benefits. A number of amendments have been made to recognition, measurement and classification including redefining short-term and other long-term benefits, guidance on the treatment of taxes related to benefit plans, guidance on risk or cost sharing features, and expanded disclosures. Following the application of these changes, the Company will have to recognize all past service costs and replace finance expenses and expected return on plan assets with a net interest amount that is calculated by applying the net debt defined benefit liability. As a result, the net finance expense on pension obligations would not change significantly for 2012.

Other than IFRS 9, the above standards have been effective since the beginning of January 2013. IFRS 9 will be effective for the period beginning after January 1, 2015, with early application permitted. The Company is in the process of assessing the impact of IFRS 9 on its consolidated financial statements. While the standards IFRS 10, 11, 12, 13 and IAS 28 will increase the required disclosure, Management does not expect the standards to have a significant impact on the consolidated financial statements of the Company.

FINANCIAL INSTRUMENTS

FOREIGN CURRENCY RISK

Following the Transaction, the Company operates internationally which significantly increase its exposure to the currency risk arising from its operating activities denominated in Sterling, Swedish krona, US dollars, Euros and TT dollars and to its net asset in foreign operations. These risks are partially offset by purchases and operating expenses incurred in the same currencies. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. A change in exchange rates would have a direct impact on net earnings of the Company.

The Company uses some financial instruments to manage the exposure to fluctuations of foreign currency exchange rates. It does not hold or use any derivative instruments for trading purposes. Foreign exchange translation gains and losses on net investments and the effective portions of gains and losses on instruments hedging the net investments are recorded in the consolidated statement of comprehensive income.

In order to reduce the risk related to fluctuation in foreign currency exchange rates, the Company designated bank advances denominated in pound sterling as the hedging instrument of net investment in pound sterling operations.

CREDIT RISK

The Company's credit risk is principally attributable to its trade receivables. The amounts presented in the balance sheet are net of an allowance for doubtful accounts, estimated by the Company's Management and based, in part, on the age of the specific receivable balance and the current and expected collection trends. Generally, the Company does not require collateral or other security from customers for trade accounts receivable; however, credit is extended following an evaluation of creditworthiness. In addition, the Company performs ongoing credit reviews of all its customers and establishes an allowance for doubtful accounts when the likelihood of collecting the account has significantly diminished. The Company believes that the credit risk of accounts receivable is limited. During the year ended December 31, 2012, bad debts accounted for were not significant.

The Company mitigates its credit risk by providing services to diverse clients in various industries and sectors of the economy.

SPECIFIC CREDIT RISK

As at December 31, 2012, the Company still had accounts receivable from a government agency of Trinidad and Tobago, the "Agency," which have remained unpaid for over 36 months.

In 2011, the following events occurred in relation to the accounts receivable owed by this Agency. The payments were first delayed by a change of government control and secondly, following the removal of the Agency's board of directors. On January 26, 2011, a new board of directors was appointed. Furthermore, a new CEO and a new CFO were hired mid-year and are currently working, under the supervision of the board, to resolve the payments due to the Company and to other service providers.

In June 2012, the Company filed two debt collection claims totaling $19.4 million for accounts receivable and interest. The first claim being for accounts receivable of $3.5 million pertaining to a specific project and the second claim for several accounts receivable on a number of projects totaling $15.9 million, including interest. Regarding the first claim, the Agency was ordered in January 2013, by judgment from Court, to pay the Company the entire amount due. The delay to appeal has now lapsed and the judgment may be executed as of March 1, 2013.

In regards to the second claim, the Company received $3.2 million of cash for projects included in the bulk claim during the year 2012. Discussions are ongoing between the Company and the Agency to enter into an out of court settlement for this claim, while the Agency is still attempting to push the matter into arbitration.

The gross contractual amount associated with these receivables is $13.5 million as at December 31, 2012, compared to $16.3 million in 2011. The carrying value amounts to $12.1 million, net of an allowance of $1.4 million, compared to a carrying value of $13.3 million, net of an allowance of $3.0 in 2011. Therefore, Management believes that the maximum exposure to financial loss in relation to this client is $8.3 million, compared to $10.0 million a year ago, taking into account the favorable judgment of the court for an amount of $3.5 million. Management will pursue the litigation while still attempting every necessary action to collect the accounts receivable within the next year.

RELATED PARTY TRANSACTIONS

The Company has control over its subsidiaries and they are consolidated in the consolidated financial statements. Some agreements are in place with special purpose entities; these entities provide different services, mainly in the architecture industry. These management agreements provide the Company with control over the management and operations of these entities. The Company also receives a management fee and has an obligation regarding their liabilities and losses. Based on these facts and circumstances, Management has concluded that these entities are controlled by the Company and, therefore, consolidated them in the consolidated financial statements.

Transactions among subsidiaries and special purpose entities are entered into in the normal course of business and on an arm's length basis. Using the consolidated method of accounting, all intercompany balances and operations are completely eliminated.

During 2012, the Company entered into arm's length transactions with associates.

The Company conducts certain activities in joint ventures with other parties qualified as jointly controlled operations except one. Joint ventures, except one, are accounted for using the proportionate consolidation method, which results in the Company recording its pro rata share of the assets, liabilities, revenues, costs and cash flows of each of these jointly controlled operations. The Company realized revenues of $105.5 million and incurred costs of $82.9 million related to joint ventures during the year ended December 31, 2012.

Transactions with subsidiaries, special-purpose entities, associates and joint ventures are further described in the 2012 audited consolidated financial statements of the Company.

Key management personnel have the authority and the responsibility to plan, direct and control the activities of the Company. They include the CEO, CFO and the members of the Executive Team. Total compensation to key management personnel and directors recognized as an expense in 2012 was $6.5 million.

Following the Transaction, Management has reviewed and modified its definition of key management personnel to include WSP's key employees and considered only key management employees for the Company on a consolidated basis.

OFF-BALANCE SHEET AGREEMENTS

The Company does not engage in the practice of off-balance sheet financing, except for the use of certain operating leases for office space, computer equipment and vehicles. In accordance with IFRS, neither the lease liability nor the underlying asset is carried on the balance sheet as the terms of the leases do not meet the criteria for capitalization.

CONTRACTUAL OBLIGATIONS

The following tables provide a summary of the Company's long-term contractual obligations:

IN MILLIONS OF DOLLARS	Less than 1 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
Bank overdraft	$6.4	-	-	-	-	-	$6.4
Bank advances	$4.4	$4.4	$4.4	$214.6	-	-	$227.8
Notes payable*	$12.7	$1.1	-	-	-	-	$13.8
Balances payable to former shareholders*	$2.6	-	-	-	-	-	$2.6
Obligations under finance leases*	$0.5	$0.1	$0.1	-	-	-	$0.7
Other obligations*	$0.7	-	-	-	-	-	$0.7
Long-term debts*	$5.3	$1.3	$8.0	-	-	-	$14.6
Loan payable	$5.1	-	-	-	-	-	$5.1

* Including current portion.

IN MILLIONS OF DOLLARS	2013	2014	2015	2016	2017	Thereafter	Total
Operating lease commitments	$77.6	$68.5	$55.6	$41.2	$31.6	$103.1	$377.6

The Company is committed under the terms of contractual obligations with various expiration dates, primarily for the rental of office space and computer equipment. For the year ended December 31, 2012, the Company increased its commitment due to the inclusion of WSP's commitments and the reimbursement of WSP's credit facility.

The Company generates cash flows from its operations and has available credit facilities to meet all of its contractual obligations in the future.

OUTLOOK

The outlook is provided to assist analysts and shareholders in formalizing their respective views on the 2013 outlook. The reader is cautioned that using this information for other purposes may be inappropriate. These measures are subject to change. The information set out in this section constitute forward-looking information. Please refer to the "Forward-Looking Statements" section of this MD&A.

The following table summarizes our expected range for various measures for the coming year:

	2013 TARGET RANGE
Net revenues	Between $1,500 million to $1,700 million
EBITDA margin range	Approximately 10.5% of net revenues
Tax rate	Approximately 24%
Seasonality and EBITDA fluctuations	Between 20% to 29%, the first quarter being the lowest and the third quarter being the highest
Free cash-flow as a percentage of net earnings	> 100%
DSO	90 to 95 days
Amortization of intangible assets, excluding software	Approximately 1.3% of net revenues
Capital expenditures	Approximately 2.5% of net revenues

The target range presented in the preceding table have been prepared assuming there will be no fluctuations in foreign exchange rate in which the Company operates. The Company considered in the 2013 forecast numerous economic and market assumptions regarding the market competition, the political environment and the economic performance of each region where it operates. In preparing its 2013 forecast, the Company has assumed that organic growth in its main markets will be as detailed below in the descriptions on each region and that the economic trends and market competition will remain stable.

The forecast has been prepared using tax rates as enacted as of December 31, 2012, in the countries in which the Company currently operates and assumed no change in the tax law applicable to such countries. In the 2013 forecast, the Company has not considered any dispositions, mergers, business combinations and other transactions that may occur after the publication of this MD&A. The Company cautions that the assumptions used to prepare the 2013 forecast could be incorrect or inaccurate. Accordingly, the Company's actual results could differ materially from the Company's expectations as set out in this MD&A.

Our 2013 outlook for our main operating regions is as follows:

CANADA

We expect that our Canadian operations should achieve flat organic growth in 2013. Market conditions may be impacted by elections to take place in various regions, both at the provincial and municipal levels. We believe that this, coupled to tightened governmental budgets, should translate into reduced public investments. We also expect continued international competition to have a downward pressure on net revenues in some regions.

We expect performance to vary by market segment and region, with the main slowdown being experienced in publicly-funded projects. However, Transportation activities are expected to remain solid, due to major upcoming projects expected in that segment. The Company believes that environmental activities are likely to be supported by continued strong demand in environmental impact assessment projects.

In privately-funded projects, we expect the continued fluctuation in commodity prices to impact our activities in the Industrial sector, while our Buildings sector activities are expected to remain stable.

Finally, we anticipate the P3 market to remain solid and we expect to benefit from this, thanks to WSP's expertise.

Colombia

We believe the Colombian market should grow steadily in all segments, as the government announced investments of around US$20.0 billion for Infrastructure projects in 2013, including a US$7.9 billion investment in local infrastructure projects in the Antioquia region, where we have been active for a long period.

UNITED STATES

We expect our US operations to achieve solid organic growth in 2013, mainly as the result of the consolidation which occurred at the end of 2012. Indeed, as a single integrated business in 2013, we expect US operations to achieve stronger margins than the combined performance of the four individual businesses achieved in 2012, mainly due to operational improvements combined with organic growth, as well as improved cost efficiencies in the business support infrastructure.

The economy in general is expected to be impacted by federal, state and local governments continuing to face budget deficits, which is likely to reduce the funding available for public sector Infrastructure projects.

On the Buildings front, after a four-month decline, billings at Architecture firms stabilized and started to rise through the fourth quarter. As the bulk of our services are delivered through architects, we believe that this is a positive sign creating a modestly positive outlook for the Buildings sector for 2013.

In Environmental services, based on current economic indicators, the Company expects a continued slow growth and cautious spending for 2013.

UNITED KINGDOM

We expect our UK performance to be stable in 2013, as the overall UK economy has returned to growth after the decline which followed the Olympics boost. However, construction was the only sector to continue to decline month over month. We expect this to change moderately in 2013.

On the Transportation front, recovery in the highways market gives us confidence to expect further improvements in 2013.

In its Fall statement, the UK government detailed its ongoing commitment to moving forward with Infrastructure projects and provided clarity on a new P3 model that will see the government take on more risk and boost spending to help stimulate more projects.

In the Energy sector, the government introduced its Energy Bill, which seeks to reform the electricity market in order to encourage low-carbon electricity generation and ensure supply security. We believe this should have a positive impact on our operations.

NORTHERN EUROPE

In Sweden, we anticipate activities to be stable, an expectation supported by the recently announced budget, which promised further investments in Mining and Infrastructure. The economy continues to be very stable and belongs to the strongest in Europe. The Swedish Government and specifically Stockholm city continue investment in transport and City Development project. This is also confirmed by our peer groups who are showing a strong performance and outlook.

Other regions, including Germany and Finland, are expected to be stable, as they continue to be impacted by the economic slowdown in the European Union.

REST OF THE WORLD

We expect a solid Middle East performance to be supported by many large opportunities.

We expect solid performance in Australia and New Zealand. In Australia, macroeconomic fundamentals are still very good, with low levels of government debt and unemployment. In addition, interest rates were cut several times in the second half of 2012 in a bid to stimulate the economy, which should have a positive impact on our operations in 2013.

As far as Asia is concerned, the outlook for 2013 seems to be improving, with the gross domestic product starting to increase.

Finally, in Africa, although we remain cautiously optimistic, current indicators suggest that public sector parastatal expenditure will gather momentum, which we believe could positively impact our activities.

REVENUE SYNERGIES

The Company expects the Transaction to generate significant new revenues in future years with the collaboration of the WSP and GENIVAR teams, such as:

- In Toronto, which has more tall buildings planned than any other city in the Western Hemisphere, we will be combining GENIVAR's strong local building services capacity with WSP's global expertise in high-rise development.
- We are positioning ourselves on a number of significant prospects in the Canadian rail sector, utilizing WSP's rail experience from Sweden and UK.
- In the global Aviation sector, we are now able to provide the full range of aviation services to architects, contractors and operators, from master-planning to airside infrastructure and terminal buildings to specialist software solutions.
- We are working on every continent in the global Mining sector and are now able to link our centers of excellence and regional offices to support our mining clients worldwide investment plans.
- WSP is a recognized world leader in the property sector and we are actively generating revenue synergy opportunities with architects, developers and operators in many sub-sectors but particularly real estate, hospitality and retail sectors, not only in Canada but worldwide. A good example is Wal-Mart, with whom we are working in Canada and South Africa.

FORWARD-LOOKING STATEMENTS

This MD&A may contain certain forward-looking statements that are not based on historical facts, including those set out in the "Outlook" section of this MD&A with respect to the financial outlook for the year 2013 in the Company's main operating regions and expected revenue synergies. These statements relate to future events or future performance and reflect the expectations of Management regarding growth, results of operations, performance and business prospects and opportunities of the Company or its industry. 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. Such forward-looking statements reflect current beliefs of Management and are based on certain factors and assumptions as set forth in this MD&A, including those in the "Significant accounting policies" and "Outlook" sections of this MD&A. While the Company considers these factors and assumptions to be reasonable based on information currently available, a number of factors could cause 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 events or results to differ materially from the results discussed in any forward-looking statement, including, but not limited to, the following risks: "Possible failure to realize anticipated benefits of the Transaction," "Ability to maintain profitability and manage growth," "Organic business growth," "International operations," "Reduction of backlog", "Economic environment," "Revenues from contracts with government agencies," "Fixed-price negotiated fee contracts," "Availability and retention of qualified professional staff," "Non-compliance with laws or regulations," "Reputational risk," "Risk of future legal proceedings," "Insurance limits," "Competition in the industry," "Variability of financial results" and "Foreign currency exposure." As such, there can be no assurance that actual results will be consistent with these forward-looking statements. The Company does not update or revise forward-looking information even if new information becomes available, unless legislation requires us to do so. Readers should not place undue reliance on forward-looking statements.

RISK FACTORS

The results of operations, business prospects and the financial position of the Company are subject to a number of risks and uncertainties and are affected by a number of factors outside of its control. This may cause a decline in the price of the shares and the Company's ability to declare dividends on the shares could be adversely affected.

Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations.

RISK RELATED TO THE TRANSACTION

POSSIBLE FAILURE TO REALIZE ANTICIPATED BENEFITS OF THE TRANSACTION

Management believes that the Transaction will provide certain benefits to the Company. Achieving the benefits of the Transaction depends in part on successfully consolidating functions, integrating and leveraging operations, procedures and personnel in a timely and efficient manner, as well as the Company's ability to share knowledge and realize revenues, synergies and other growth opportunities from combining the WSP businesses and operations with those of Former GENIVAR. The integration of WSP's business with Former GENIVAR's operations, which includes the combination of systems and personnel of the two companies, is currently in process. The integration requires the dedication of substantial management effort, time and resources, which may divert Management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the disruption of ongoing business, customer and employee relationships that may adversely affect the Company's ability to achieve the anticipated benefits of the Transaction, including the ability to realize the anticipated synergies from combining the two entities. A variety of factors may also adversely affect the ability of the anticipated benefits of the Transaction to materialize or to occur within the time periods anticipated by the Company. In addition, the overall integration of the two companies may result in unanticipated operational problems, costs, expenses, liabilities, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) and, consequently, the failure to realize, in whole or in part, the anticipated benefits of the Transaction.

With the acquisition of WSP, the Company has more than doubled in size with operations in 35 countries. The Company must effectively communicate and manage its culture, values, standards and policies throughout the larger organization, which poses challenges and requires time for the members of management and employees involved. Cultural differences among various countries in which the Company now operates may also present barriers to the success of the integration plan. The Company may not be able to achieve its strategic objectives if it does not overcome the challenges associated with its new size and cultural diversity.

POTENTIAL UNDISCLOSED LIABILITIES ASSOCIATED WITH THE TRANSACTION

In connection with the Transaction, there may be liabilities that the Company failed to discover at this stage or was unable to quantify in the due diligence conducted prior to closing of the Transaction and which could have a material adverse effect on the Company's business, financial condition or future prospects.

RISK RELATED TO THE BUSINESS

ABILITY TO MAINTAIN PROFITABILITY AND MANAGE GROWTH

There can be no assurance that the Company's business and strategy will enable it to sustain profitability in future periods. The Company's future operating results will depend on a number of factors.

The Company's growth strategy depends, in part, on its ability to:

- offer a full range of professional services;
- successfully cross-sell additional services to existing clients and attract new clients;
- consolidate its position in all markets, and identify and acquire suitable acquisition candidates in order to continue its expansion; and
- successfully integrate acquired businesses with existing operations.

There can be no assurance that the Company will be successful in achieving its strategic plan or that its strategic plan will enable it to maintain its historical revenue growth rates or to sustain profitability. Due to the economic conditions, the Company may be unable to obtain the necessary capital to finance its strategic plan. Failure to successfully execute any material part of its strategic plan could have a material adverse effect on its business, prospects, financial condition and results of operations.

ORGANIC BUSINESS GROWTH

Due to industry competition and economic factors, the Company may not be able to increase the size of its operations organically. As competition increases in the Company's markets, it may not be able to secure major projects, penetrate robust markets and attract additional qualified staff. Organic growth is also achieved by meeting client expectations through effective quality project delivery and by expanding services provided to existing clients. If the Company is unable to effectively compete for projects, expand services to existing clients and attract employees, it will have difficulty increasing its market share and achieving its growth objectives.

INTERNATIONAL OPERATIONS

Due to its new global operations strategy, the Company is currently and will be increasingly subject to a variety of risks, including (a) greater risk of uncollectible accounts and longer collection cycles; (b) cultural, logistical and communications challenges; (c) changes in labour conditions; (d) general social economic and political conditions in the foreign markets; (e) international hostilities and terrorism; (f) risks related to complying with a wide variety of local, national, and international laws, together with potential adverse changes in laws and regulatory practices; (g) the difficulties and costs of staffing and managing global operations; (h) fluctuations in exchange rates; (i) multiple and possibly overlapping tax structures; (j) exchange controls and other funding restrictions and (k) political and economic instability. In addition, the Company faces competition in other countries from companies that may have more experience with operating in such countries or with global operations generally.

POSSIBLE ACQUISITIONS AND INTEGRATIONS

The Company intends to continue making acquisitions from time to time as part of its strategy to grow its business. Acquisitions, if they occur, will increase the size of its operations and may increase the amount of indebtedness that the Company has to service. There is no assurance that the Company will be able to identify suitable acquisition targets and acquire operations on satisfactory terms, or at all. Further, the successful integration and management of acquired businesses involve numerous risks that could adversely affect the Company's growth and profitability, including: (i) the risk that the Company may not be able to obtain the necessary capital to finance its working capital, capital expenditures, acquisitions, growth strategy and general corporate or other purposes by way of debt financing; (ii) the risk that the Company may not be able to successfully manage the acquired operations and that the integration may place significant demands on the Company's Management, diverting their attention from existing operations; (iii) the risk that its operational, financial and management systems may be incompatible with or inadequate to effectively integrate and manage acquired systems; (iv) the risk that acquisitions may require substantial financial resources that otherwise could be used in the development of other aspects of the Company's business; (v) the risk that major clients of the acquired firms may not be retained following the acquisition of such firms; and (vi) the risk that acquisitions may result in liabilities and contingencies, which could be significant to the Company's operations. The successful integration of an acquired business is also subject to the risk that personnel and professionals from the acquired business and the Company's existing business may not be able to work together successfully, which could affect its operations. In particular, the Company may seek to require as a condition of its acquisitions that key personnel and professionals enter into employment agreements for specified post-acquisition periods and/or non-competition undertakings, however there are risks that such commitments will not be fulfilled or that the personnel and professionals subject to same or other personnel and professionals will not be successfully integrated as productive contributors to the Company's business. Moreover, the successful integration of an acquired business is subject to the willingness of such company to operate in accordance with the Company's values and culture. Newly acquired businesses may be resistant to change and remain attached to past values and culture which may compromise the Company's integration plans. There is no assurance that the Company will be able to successfully integrate its acquisitions and the Company's failure to do so could have a material adverse effect on its business, prospects, financial condition and results of operations.

REDUCTION OF BACKLOG

The Company cannot guarantee that the revenues projected in the backlog will be realized or, if realized, will result in profits. Projects may remain in the backlog for an extended period of time. In addition, project cancellations or scope adjustments may occur, from time to time, with respect to contracts reflected in the backlog. Backlog reduction may adversely affect the revenues that the Company will actually receive from contracts reflected in the backlog. Future project cancellations and scope adjustments could further reduce the dollar amount of the backlog and the revenues that the Company actually receives. Most contracts for services with clients are terminable by clients at short notice. If a reduction in the backlog occurs, it could incur costs resulting from reductions in staff that would have the effect of reducing its net earnings.

JOINT VENTURE PARTNERS

As part of its business strategy, the Company may enter into certain contracts through joint ventures or strategic alliances. The success of the Company's joint ventures and strategic alliances depends on the satisfactory performance of its partners of their obligations. Differences in views among the joint venture participants may result in delayed decisions or disputes. The failure of the joint venture partners to perform their obligations could impose additional financial and performance obligations on the Company that could result in increased costs and pose a risk to the Company's reputation.

ECONOMIC ENVIRONMENT

For several years, the global capital and credit markets and the global economy have experienced significant uncertainty, characterized by the bankruptcy, failure, collapse or sale of various financial institutions, the European sovereign debt crisis and a considerable level of intervention from governments around the world. These conditions may adversely affect the demand for the Company's services, which may negatively affect its business and results of operations. In addition, interest rate fluctuations, financial market volatility or credit market disruptions may limit the Company's access to capital and may also negatively affect its customers' ability to obtain credit to finance their businesses on acceptable terms. If the operating and financial performance of the Company's customers deteriorates or if they are unable to make scheduled payments or obtain credit, its customers may not be able to pay. Any inability of customers to pay the Company for its services may adversely affect its backlog, earnings and cash flows. As the contraction of the global capital and credit markets spreads throughout the broader economy, the US, Europe and other major markets around the world are experiencing very weak or negative economic growth. Many markets remain fragile and could again enter periods of negative economic growth. In addition, many governments used, or continue to use, significant levels of fiscal stimulus in an attempt to avoid recessions and now have significant and growing debts and deficits that may require actions such as spending cuts and higher taxes. These conditions may impact demand for the Company's services by public and private entities.

In addition, rising inflation, interest rates and construction costs could reduce the demand for the Company's services in the markets in which it operates or may operate in the future. The Company also bears the risk of rising inflation by the execution of fixed-price negotiated fee contracts. Because a significant portion of the Company's revenues are earned from cost-reimbursable type contracts, the effects of inflation on the Company's financial condition and results of operations over the past few years have been generally minor. Nonetheless, if the Company expands its business into markets and geographic areas where fixed-price negotiated fee work is more prevalent, inflation may have a larger impact on the Company's results of operations. As such, significant increases in inflation, interest rates or construction costs could have a material adverse impact on the Company's business, financial condition and results of operations.

REVENUES FROM CONTRACTS WITH GOVERNMENT AGENCIES

The demand for the Company's services is related to the level of governments' funding that is allocated for rebuilding, improving, and expanding infrastructure systems. The Company derives a significant amount of its revenues from governments or government-funded projects and expects to continue to do so in the future. Significant changes in the level of governments' funding (whether from traditional funding constraints), the long-term impacts of the recent economic crisis (including future budgetary constraints and concerns regarding deficits), changing political priorities, changes in governments or delays in projects caused by election processes, may adversely affect its business, prospects, financial condition and results of operations.

The success and further development of the Company's business depends, in part, on the continued funding of these government programs and on the Company's ability to participate in these programs. However, governments may not have available resources to fund these programs or may not fund these programs even if they have available financial resources. Some of these government contracts are subject to renewal or extensions annually, so the Company cannot be assured of its continued work under these contracts in the future. In addition, government agencies can terminate these contracts at their convenience. The Company may incur costs in connection with the termination of these contracts and suffer a loss of business. In certain markets, contracts with government agencies are sometimes subject to substantial regulation and audit of the actual costs incurred. These audits can result in a determination that a rule or regulation has been violated or that adjustments are necessary to the amount of contract costs the Company believes are reimbursable by the agencies and the amount of overhead costs allocated to the agencies. Consequently, there may be a downward adjustment to the Company's revenues if those costs that have been recognized exceed contractual entitlement to recover such costs.

FIXED-PRICE NEGOTIATED FEE CONTRACTS

A portion of the Company's revenues comes from fixed-price negotiated fee contracts. Under such contracts, the Company agrees to perform either all or a specified portion of work under the contract for a fixed amount of fees. Fixed-price negotiated fee contracts expose the Company to a number of risks not inherent in hourly basis contracts, including underestimation of fees, ambiguities in specifications, unforeseen difficulties, problems with new technologies, delays beyond its control and economic or other changes that may occur during the contract period. Increasing use of fixed-price negotiated fee contracts and/or increasing size of such contracts would increase its exposure to these risks. Losses under fixed-price negotiated fee contracts could have a material adverse effect on its business, prospects, financial condition and results of operations.

The Company typically has pending claims submitted to clients under some of its contracts for payment of work performed beyond the initial contractual requirements for which revenues has already been recorded. In general, the Company cannot guarantee that such claims will be approved by its clients in whole, in part, or at all. If these claims are not approved, the Company's revenues may be reduced in future periods which could have a material adverse impact on the Company's financial condition and results of operations.

DEPENDENCE ON CLIENTS

Professional services, as provided by the Company, are subject to fluctuations resulting from different factors, including economic conditions. The Company's revenues do not materially depend on any specific client. However, contracts for services are terminable by the clients on short notice and there can be no assurance that the Company will be able to retain its relationships with its largest clients. An adverse change involving any of these clients could have a negative effect on the Company’s business, prospects, financial condition and results of operations.

RELIANCE ON SUPPLIERS AND SUBCONTRACTORS

The Company engages with a large number of third party suppliers and subcontractors. The profitable completion of some contracts depends to a large degree on the satisfactory performance of the subcontractors that complete different elements of work. If these subcontractors do not perform to accepted standards, the Company may be required to hire different subcontractors to complete the tasks, which may add additional costs to a contract, may impact profitability on a specific job and in certain circumstances lead to significant losses. The failure of any such third party supplier or subcontractor to deliver on their contractual commitments could have an adverse effect on the Company's business, prospects, financial condition and results of operations.

ASSUMPTION OF RISK BY THE COMPANY

In order to adapt to the current trends affecting the manner in which projects are performed in the areas in which the Company operates, it may participate in upfront qualification work, for example in the context of a request for qualifications, in order to participate in consortiums formed to bid on large projects. The Company may not recover its costs in connection with such work. The time invested in participating in consortiums for large projects and the related qualification work may ultimately not result in the Company obtaining contracts on which it can generate appropriate profit margins.

RELIANCE ON KEY PROFESSIONALS AND MANAGEMENT

The Company's operations are dependent on the abilities, experience and efforts of its professionals and other key management, many of whom have significant reputations and contacts in the industry in which the Company operates. Should any members of its professional staff or key management be unable or unwilling to continue their relationship with the Company, its business, prospects, financial condition and results of operations could be materially adversely impacted.

AVAILABILITY AND RETENTION OF QUALIFIED PROFESSIONAL STAFF

The Company's success depends in part on its continued ability to attract and retain qualified and skilled engineers and other professional staff in particular locations. Over the years, a significant shortage of engineers has developed in some markets and resulted in continued upward pressure on professional compensation packages. There can be no assurance that the Company will be able to attract, hire and retain sufficient qualified resources necessary to continue to maintain and grow its business. The inability to attract, hire and retain sufficient numbers of qualified professional staff could limit its ability to sustain and increase revenues.

COLLECTIVE BARGAINING AND LABOUR DISPUTES

As of December 31, 2012, employees in Sweden and Finland, amounting to approximately 19% of the Company’s total employees, were covered by collective bargaining agreements, renewable on an annual basis. The outcome of any future negotiations relating to union representation or collective bargaining agreements may not be favorable to the Company. The Company may sign collective bargaining agreements that increase its operating expenses and lower its net income as a result of higher wages or benefit expenses. In addition, negotiations with unions, including work actions, could divert Management attention and disrupt operations, which may adversely affect the Company’s results of operations.

NON-COMPLIANCE WITH LAWS OR REGULATIONS

The Company does not tolerate any improper business practices, takes compliance with all laws very seriously and is committed to ethical business conduct in all that it does. The Company has adopted practices and procedures in order to manage potential risks relating to non-compliance with laws, corruption within its operations, anti-competitive acts, illegal political contributions, bribery and ethics-related issues, including GENIVAR's Code of Conduct and Whistleblowing Policy that applies to all employees, officers and members of the Board, the implementation by WSP of the WSP Business Ethics, Gift and Hospitality Policy (collectively, the “Codes of Conduct”) and the adoption of internal controls and procedures relating to, among other things, compliance and complaints for accounting and auditing matters. Although these control measures mitigate risks to the Company and their potential negative impact on the Company's results, they are in the process of being standardized across the entire organization and may not be sufficiently effective to protect the Company from the consequences of such acts committed by its officers, employees, agents and/or partners, corruption within its operations and ethics-related issues. Accordingly, fraud may occur and remain undetected, resulting in a loss of assets and/or misstatement in the Company's financial statements and related public disclosure. Moreover, misconduct, illegal political contributions, non-compliance with previously enacted or proposed laws or regulations, anti-competitive or criminal acts by the Company’s officers, employees or agents could subject the Company to fines and penalties, criminal, civil and administrative legal sanctions and suspension from contracting, resulting in reduced revenues and profits which could have a material adverse impact on its business, prospects, financial condition and results of operations.

As part of its global business dealings with different governmental bodies, entities and agencies in countries such as Canada and the US and in the European Union, including the UK and Sweden, the Company and its affiliates must also comply with multiple and complex public procurement laws and regulations aimed at ensuring that public sector bodies award contracts in a transparent, competitive, efficient and non-discriminatory way in these jurisdictions, such as the Federal Acquisition Regulation in the US, the Public Contracts Regulations in the UK, and the Law on Public Procurement in Sweden. These rules provide for verification processes and disclosure requirements, among others matters. If the Company fails to comply with these laws and regulations or if the Company, its officers, employees or agents commit legal violations or misconduct specified in any of these rules, the Company could be subject to mandatory or discretionary exclusion or suspension, on a permanent or temporary basis, from contracting with these governmental bodies, entities and agencies, in addition to other penalties and sanctions that could be incurred by the Company. The disqualification of the Company from public contracts in any jurisdiction in which it has operations or carries out business activities could impact its ability to bid for public contracts in that and other jurisdictions and have a significant adverse impact on the Company’s business, operations and financial results.

On December 7, 2012, the Quebec National Assembly adopted Bill no 1: the Integrity in Public Contracts Act (the “Quebec Integrity Act”), which applies initially to public contracts for which the bidding process is ongoing as of January 15, 2013 and to specific contracts with the City of Montreal. The Quebec Integrity Act establishes a process to verify if an enterprise wishing to enter into a contract with a Quebec public body satisfies the required integrity conditions. Thus, enterprises that wish to enter into such contracts or subcontracts must henceforth be authorized to do so by the Autorité des marchés financiers (the “AMF”). The AMF must refuse to grant an authorization in certain circumstances, including where an enterprise, its majority shareholders or one of its directors or officers has been convicted for non-compliance with certain laws in the preceding five years. In other circumstances, the AMF has a discretion to refuse to grant or revoke such authorization if, in its opinion, Quebec public confidence will be undermined on account of a lack of integrity on the part of the enterprise concerned, any of its shareholders, partners, directors or officers or another enterprise that controls it. The Company is expecting to file shortly an application with the AMF to obtain an authorization pursuant to the Quebec Integrity Act. A conviction of the Company for non-compliance with certain offences specified in the Quebec Integrity Act could render the Company ineligible to contract with Quebec public bodies, including municipalities, in the future and could also subject the Company to fines and penalties, criminal, civil and administrative legal actions and damage to its reputation.

REPUTATIONAL RISK

The Company depends to a large extent on its relationships with its clients and its reputation for high-quality professional services and as a professional services firm that abides to the highest ethical standards to remain competitive. The failure of the Company to meet its clients’ expectations in the course of a project, including the possibility of a catastrophic failure or incident affecting such a project, could have a negative impact on how it is perceived in the market. Further, the Company's failure to comply with applicable laws, regulations or generally recognized and accepted guidelines on corporate, environmental, social and governance responsibilities, or acts of misconducts, illegal political contributions, non-compliance with laws or regulations, anti-competitive or criminal acts committed by its officers, employees, agents and/or partners, corruption within its operations and ethics-related issues could negatively impact the Company's reputation and influence its ability to obtain future projects.

RISK OF FUTURE LEGAL PROCEEDINGS

The Company is threatened from time to time with, or named as a defendant in, or may become subject to various legal proceedings in the ordinary course of conducting its business, including lawsuits based upon professional errors and omissions and lawsuits related to the general contracting business historically carried on by Former GENIVAR. Defending lawsuits of this nature or arising out of any of the services provided by the Company could require substantial amounts of its Management's attention, necessitate financial resources to defend such claims or result in significant attorney fees and damage awards for which the Company may not be fully insured and which could harm its reputation. A significant judgment against the Company or the imposition of a significant fine or penalty could have a material adverse effect on its business, prospects, financial condition and results of operations.

INSURANCE LIMITS

The Company believes that its professional errors and omissions insurance, commercial general liability and director and officer liability insurance coverage addresses all material insurable risks, provides coverage that is similar to that which would be maintained by a prudent operator of a similar business and is subject to deductibles, limits and exclusions which are customary or reasonable given the cost of procuring insurance and current operating conditions. However, there can be no assurance that such insurance will continue to be offered on economically feasible terms, that all events that could give rise to a loss or liability are insurable, or that the amounts of insurance will at all times be sufficient to cover each and every loss or claim that may occur involving the Company's assets or operations.

ENVIRONMENTAL, HEALTH AND SAFETY RISKS AND HAZARDS

The Company's Environmental, Health and Safety systems are aimed at reducing risks to people, the environment, and its business; however, employees are subject to environmental, health, and safety risks in the course of their employment. A number of these risks could result in personal injury, loss of life, or environmental and other damage to the Company's property or the property of others. Alternatively, the Company could be exposed to civil and/or statutory liability to employees arising from injuries or deaths because of inadequate health and safety policies and practices. The Company cannot fully protect against all these risks, nor are all these risks insurable. The Company may become liable for damages arising from these events against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons. Furthermore, the Company risks incurring additional costs on projects that have sustained environmental, health, and safety hazards because they may require additional time to complete or because employee time may be lost due to injury.

EXTREME WEATHER CONDITIONS AND THE IMPACT OF NATURAL OR OTHER DISASTERS

The Company's field activities are generally performed outdoors and involve professional surveying, resident engineering services, field data surveys and collection, archeology, geotechnical investigations and exploratory drilling, construction oversight and inspection, plant start-up and testing and plant operations. Extreme weather conditions or natural or other disasters, such as earthquakes, fires, floods, epidemics or pandemics and similar events, may cause postponements in the initiation and/or completion of the Company's field activities and may hinder the ability of its employees to arrive at work, which may result in delays or loss of revenues that otherwise would be recognized while certain costs continue to be incurred. Extreme weather conditions or disasters may also delay or eliminate the start and/or completion of various phases of work relating to other services that commence concurrent with or subsequent to field activities. Any delay in the completion of the Company's services may require the Company to incur additional non-compensable costs, including overtime work, that are necessary to meet clients' schedules. Due to various factors, a delay in the commencement or completion of a project may also result in penalties or sanctions under contracts or even the cancellation of contracts, which could have material adverse effect on the Company's financial condition and results of operations.

INTERRUPTION TO SYSTEMS AND NETWORK INFRASTRUCTURE

The Company heavily relies on computer information, communications technology, and related systems in order to operate properly. If the Company is unable to continually add software and hardware, effectively upgrade its systems and network infrastructure, maintain key information technology personnel, and take other steps to improve the efficiency of and protect its systems, the Company's operation systems could be interrupted or delayed. In addition, the Company's computer and communications systems and operations could be damaged or interrupted by natural disasters, telecommunications failures, acts of war or terrorism, computer viruses, physical or electronic security breaches, or similar events or disruptions. Any of these or other events could cause system interruptions, delays, and loss of critical data; could delay or prevent operations; and may adversely affect its business, prospects, financial condition and results of operations.

RISKS RELATED TO THE INDUSTRY

COMPETITION IN THE INDUSTRY

The Company operates in highly competitive markets and has numerous competitors for all of the services it offers. Size and characteristics of competitors vary widely with the type of service it provides. Some of its competitors have longer operating histories, greater name recognition, larger customer bases and have achieved substantially more market penetration in certain of the areas in which it competes. In addition, some of its competitors have substantially more financial resources and/or financial flexibility and marketing resources than the Company. These competitive forces could have a material adverse effect on the Company's business, its financial condition and results of operations by reducing its current market share in the market segments in which the Company operates.

REDUCTION IN THE SCOPE OF REGULATIONS

A portion of the Company's professional services business is generated directly or indirectly as a result of laws and regulations. Changes in such regulations could affect the Company's business more significantly than they would affect other professional services firms. Accordingly, a reduction in the number or scope of these laws and regulations could significantly reduce the size of its market segment in such market and have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

INCREASED AWARENESS OF ENVIRONMENTAL FACTORS

As part of increasing awareness of global climate change, some experts have suggested that companies involved in industries that may impact the environment through their projects may be subject to litigation from governments, shareholders or environmental activists. The cancellation of major projects contracted by the Company due to environmental concerns or significant environmental litigation impacting key clients could materially affect the Company's financial condition and results of operations.

RISKS RELATED TO INDEBTEDNESS

INCREASED INDEBTEDNESS

As of December 31, 2012, $212.7 million was drawn on the Company's credit facilities entered into in June 2012. Such degree of leverage could require the Company to dedicate an important part of its cash flow to making interest and capital payments on its indebtedness, which could have other important consequences for investors, including the following:

- it may limit the Company's ability to make investments that are important to its growth and strategies while meeting its other cash needs or obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes;
- certain of the Company's borrowings are at variable rates of interest and expose the Company to the risk of increased interest rates;
- it may limit the Company's ability to adjust to changing market conditions and place the Company at a competitive disadvantage compared to its competitors that have less debt;
- the Company may not be able to pay dividends on its common shares; and
- the Company may be vulnerable in a downturn in general economic conditions.

Under the terms of the new credit facilities, the Company is permitted to incur additional debt in certain circumstances. However, doing so could increase the risks described above. The new credit facilities contain certain financial covenants requiring the Company, on a consolidated basis, to meet specified debt to EBITDA and interest coverage ratios. The new credit facilities also contain covenants restricting the Company's ability to incur liens on its assets, incur additional debt or effect acquisitions or dispositions or fundamental changes in its business. These covenants limit the Company's discretion in the operation of its business.

If the Company is unable to obtain capital on acceptable terms in order to fund its growth strategy, the Company may be required to reduce the scope of its anticipated expansion, which may negatively affect its business strategy, future competitiveness and results of operations. Using internally generated cash or taking on debt to complete acquisitions could substantially limit the Company's operational and financial flexibility. The extent to which the Company will be able or willing to use its shares for acquisitions will depend on the market value of its shares from time to time and the willingness of potential sellers to accept its shares as full or partial consideration.

The Company may also be required to incur additional debt if it acquires another business, which could increase its debt repayment obligations and have a negative impact on future liquidity and profitability.

In addition, the Company may also be required to raise additional capital in the public market to support its strategy in the future. The availability of future financing will depend on prevailing market conditions, and the acceptability of financing terms offered. There can be no assurance that future financing will be available, or available on acceptable terms, in an amount sufficient to fund its needs, especially during periods of economic downturn.

RISKS RELATED TO FINANCIAL RESULTS

VARIABILITY OF FINANCIAL RESULTS

The Company's ability to maintain and increase its revenues is affected not only by its ability to implement its business strategy, but also by a number of other factors, including:

- Fluctuations in the spending patterns of the Company's government and commercial clients;
- The number and significance of projects executed during a quarter;
- Unanticipated changes in contract performance, particularly with contracts that have funding limits;
- The timing of resolving change orders, requests for equitable adjustments, and other contract adjustments;
- Delays incurred in connection with a project;
- Weather conditions that delay work at project sites;
- Staff levels, holiday periods and utilization rates;
- Changes in prices of services offered by competitors; and
- General economic and political conditions.

FOREIGN CURRENCY EXPOSURE

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. A significant portion of the Company's earnings and net assets is denominated in multiple foreign currencies, including Pound sterling, Euro, Swedish krona and US dollar. Accordingly, fluctuations in exchange rates between the Canadian dollar and such currencies may have an adverse effect on the Company's results and financial condition. Future events that may significantly increase or decrease the risk of future movement in the exchange rates for these currencies cannot be predicted.

Future payments or distributions payable in a foreign currency carry the risk that the foreign currency will depreciate in value before the foreign currency payment is received and is exchanged into the Company’s functional currency. In situations where revenues and costs are transacted in different currencies, the Company sometimes enters into foreign exchange contracts in order to limit its exposure to fluctuating foreign currencies. Although the Company does not currently have exchange rate risk policy that would materially affect its results of operations, it is still subject to foreign currency risk.

ACCOUNTS RECEIVABLE

As is common in the professional services industry, the Company carries a high level of accounts receivable on its balance sheet. This value is spread amongst numerous contracts and clients. While the Company performs regular reviews of accounts receivable to identify clients with overdue payments and resolve issues causing any delays, there can be no assurance that outstanding accounts receivable will be paid on a timely basis or at all.

UNDERFUNDED DEFINED BENEFITS OBLIGATIONS

The Company may be required to contribute additional cash to meet any underfunded benefit obligations associated with retirement and post-retirement employee benefit plans managed by the Company. Such contributions are generally determined by calculating the projected benefit obligations of a plan, minus the fair value of such plan assets. In the future, the Company's benefit plan obligations may increase or decrease depending on, among other things, changes in life expectancy, interest rates and asset performance. If the Company is required to contribute a significant amount to cover deficit under underfunded benefit plans, the Company's cash flows may be materially and adversely affected.

Changing economic conditions and demographics may result in significant increases in the Company's funding obligations thereby reducing the availability of such funds for other corporate purposes, which could have a material adverse effect on the Company's business, financial condition and results of operations.

IMPAIRMENT OF GOODWILL

Because the Company has grown in part through acquisitions, goodwill and intangible assets represent a substantial portion of its assets. As of December 31, 2012, the Company had $697.8 million of goodwill, representing 38.5% of its total assets of $1,812.0 million. Under IFRS, the Company is required to test goodwill carried in its consolidated statements of financial position for possible impairment on an annual basis based upon a fair value approach. The Company has chosen to perform its annual impairment reviews of goodwill at the end of its fiscal year. The Company is also required to test goodwill for impairment between annual tests if events occur or circumstances change that would more likely than not reduce the fair value of a CGU below its book value, which would mean the value of the acquired assets has fallen below what the Company generally paid for them. These events or circumstances could include a significant change in the business climate, including a significant sustained decline in a CGU's market value, legal factors, operating performance indicators, competition, sale or disposition of a significant portion of its business, potential government actions toward its facilities, and other factors. If the recoverable amount of a CGU is less than its carrying value, the Company could be required to record an impairment charge. The amount of any impairment could be significant and could have a material adverse impact on the Company's financial condition and results of operations for the period in which the charge is taken.

RISKS RELATED TO THE COMMON SHARES

POTENTIAL DILUTION

The Company's articles permit the issuance of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. In order to successfully complete targeted acquisitions or to fund its other activities, the Company may issue additional equity securities that could dilute share ownership.

PAYMENT OF DIVIDENDS

Any decisions to pay dividends on the shares is, subject to the discretion of the Board, based on, among other things, the Company's earnings, financial requirements for the Company's operations, the satisfaction of applicable solvency tests for the declaration and payment of dividends and other conditions existing from time to time, including the completion of a material acquisition by the Company. As a result, no assurance can be given as to whether the Company will declare and pay dividends in the future, or the frequency or amount of any such dividend.

ADDITIONAL INFORMATION

Additional information regarding the Company is available on the Website at www.genivar.com and on SEDAR at www.sedar.com. The Annual Information Form for the year ended December 31, 2012, will be available on these Websites at the end of March 2013.

The common shares of the Company are traded on the Toronto Stock Exchange under the symbol "GNV." As at December 31, 2012, the Company had 51,056,441 common shares outstanding. As at March 12, 2013, the Company had 51,418,329 common shares outstanding following the share issuance realized under the DRIP after the payment of the fourth quarter dividend in January 2013. The Company has no other shares outstanding.

GLOSSARY

NET REVENUES

Net revenues are defined as revenues from professional consulting services less direct costs for subconsultants and other direct expenses that are recoverable directly from the clients. Net revenues is not an IFRS measure and does not have a standardized definition within IFRS. Therefore, net revenues may not be comparable to similar measures presented by other issuers. Investors are advised that net revenues should not be construed as an alternative to revenues for the year (as determined in accordance with IFRS) as an indicator of the Company's performance.

EBITDA AND EBITDA PER SHARE

EBITDA is defined as earnings before financial expenses, income tax expenses, depreciation and amortization. EBITDA is not an IFRS measure and does not have a standardized definition within IFRS. Investors are cautioned that EBITDA should not be considered an alternative to net earnings for the year (as determined in accordance with IFRS) as an indicator of the Company's performance, or an alternative to cash flows from operating, financing and investing activities as a measure of the liquidity and cash flows. The Company's method of calculating EBITDA may differ from the methods used by other issuers and, accordingly, the Company's EBITDA may not be comparable to similar measures used by other issuers.

EBITDA per share is calculated using the basic weighted average number of shares.

EBITDA MARGIN

EBITDA margin is defined as EBITDA expressed as a percentage of net revenues. EBITDA margin is not an IFRS measure.

ADJUSTED EBITDA

Adjusted EBITDA is defined as EBITDA excluding the effects of Unusual Items identified by Management as non-recurring costs and also excluding global corporate costs. Global Corporate Costs are expenses and salaries related to centralized function, like global Finance, Human Resources and Technology teams, which are not allocated to operating segments. This measure is not an IFRS measure. It provides Management with comparability from one region to the other.

ADJUSTED EBITDA MARGIN

Adjusted EBITDA margin is defined as adjusted EBITDA expressed as a percentage of net revenues. Adjusted EBITDA margin is not an IFRS measure.

INCOME TAX EXPENSES PER SHARE

Income tax expenses per share is defined as the income tax expenses on the basic weighted average number of shares.

ADJUSTED NET EARNINGS AND ADJUSTED NET EARNINGS PER SHARE

Adjusted net earnings is not an IFRS measure. This measure provides Management with net earnings without the effect of significant non-recurring items. The adjusted net earnings is defined as the net earnings for the year, excluding the effect in the financial results of the significant items identified.

Adjusted net earnings per share is calculated using the basic weighted average number of shares.

FUNDS FROM OPERATIONS AND FUNDS FROM OPERATIONS PER SHARE

Funds from operations is not an IFRS measure. It provides Management and investors with a proxy for the amount of cash generated from operating activities before changes in non-cash working capital items.

Funds from operations per share is calculated using the basic weighted average number of shares.

FREE CASH FLOW AND FREE CASH FLOW PER SHARE

Free cash flow is not an IFRS measure. It provides a consistent and comparable measurement of free cash flow generated from operations and is used as an indicator of financial strength and performance. Free cash flow is defined as cash flows from operating activities as reported in accordance with IFRS, less maintenance capital expenditures.

Free cash flow per share is calculated using the basic weighted average number of shares.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011
IN MILLIONS OF DOLLARS

March 12, 2013

MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of GENIVAR Inc. and all the information in this annual report are the responsibility of management and are approved by the Board of Directors of GENIVAR Inc.

The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standard Board. The significant accounting policies used are described in Note 2 to the consolidated financial statements. Certain amounts in the financial statements are based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the consolidated financial statements.

GENIVAR Inc. maintains systems of internal accounting and administrative controls which are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that GENIVAR Inc.'s assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board of Directors carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board of Directors, and its three members are outside directors.

The Audit Committee meets periodically with management, as well as with the external auditors, to discuss internal controls, accounting, auditing and financial reporting issues, to ensure that each party is properly discharging its responsibilities, and to review the consolidated financial statements, the management's discussion and analysis and the external auditors' report. The Audit Committee reports its findings to the Board of Directors for consideration when the latter approves the consolidated financial statements for issuance to the shareholders. The Audit Committee also considers, for review by the Board of Directors and approval by the shareholders, the engagement or reappointment of the external auditors.

The consolidated financial statements have been audited, on behalf of the shareholders, by PricewaterhouseCoopers LLP, the external auditors, in accordance with IFRS. The external auditors have full and free access to the Audit Committee and may meet with or without the presence of management.

Pierre Shoiry, Eng., M. A. Sc.,
President and Chief Executive Officer

Alexandre L'Heureux, CPA, CA, CFA,
Chief Financial Officer

Montreal, Quebec, Canada

March 12, 2013

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GENIVAR INC.

We have audited the accompanying consolidated financial statements of GENIVAR Inc, which comprise the consolidated statements of financial positions as at December 31, 2012 and December 31, 2011 and the consolidated statements of earnings, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of GENIVAR Inc. as at December 31, 2012 and December 31, 2011 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP[1]

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[1] CPA auditor, CA, public accountancy permit No. A116853

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2012, and 2011

IN MILLIONS OF CANADIAN DOLLARS	December 31, 2012 $	December 31, 2011 $
ASSETS		
Current assets		
Cash and cash equivalents (note 6)	127.7	144.0
Trade, prepaid and other receivables (note 7)	470.4	194.9
Income taxes receivable	14.7	1.5
Costs and anticipated profits in excess of billings	194.4	68.4
	807.2	408.8
Non-current assets		
Other assets (note 8)	33.7	2.2
Deferred income tax assets (note 22)	28.1	-
Property, plant and equipment (note 9)	88.1	39.3
Intangible assets (note 10)	157.1	76.0
Goodwill (note 11)	697.8	199.7
Total assets	1,812.0	726.0
LIABILITIES AND EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 13)	353.2	104.4
Income taxes payable	17.6	1.8
Billings in excess of costs and anticipated profits	100.0	17.7
Dividends payable to shareholders (note 23)	19.1	12.2
Loan payable (note 14)	5.0	5.4
Current portion of long-term debts (note 15)	4.6	-
Other current financial liabilities (note 16)	22.6	16.5
	522.1	158.0
Non-current liabilities		
Bank advances (note 12)	212.7	50.0
Long-term debts (note 15)	8.7	-
Other non-current financial liabilities (note 16)	1.2	5.4
Provisions (note 13)	6.9	-
Retirement benefit obligations (note 17)	105.4	-
Deferred income tax liabilities (note 22)	35.9	11.2
Total liabilities	892.9	224.6
EQUITY		
Equity attributable to shareholders		
Share capital (note 18)	903.3	484.3
Accumulated other comprehensive income (loss)	13.1	(0.2)
Retained earnings	0.7	17.2
	917.1	501.3
Non-controlling interest (note 19)	2.0	0.1
Total equity	919.1	501.4
Total liabilities and equity	1,812.0	726.0
Commitments and contingencies (note 27)		

The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Board of Directors

(signed) Pierre Shoiry, Director (signed) Pierre Seccareccia, Director

CONSOLIDATED STATEMENTS OF EARNINGS

For the years ended December 31, 2012, and 2011

IN MILLIONS OF CANADIAN DOLLARS, EXCEPT THE NUMBER OF SHARES AND PER SHARE DATA	2012 $	2011 $
Revenues	1,257.5	651.9
Personnel costs*	753.5	371.9
Subconsultants and direct costs*	237.4	122.9
Other operational costs*	160.8	68.5
Depreciation of property, plant and equipment	16.2	8.0
Amortization of intangible assets	24.6	17.3
Exchange loss (gain)	1.5	(1.0)
Total operational costs	1,194.0	587.6
Operating income	63.5	64.3
Net finance expenses (note 21)	8.4	4.3
Share of income of associates (net of tax)	(1.9)	-
Earnings before income taxes	57.0	60.0
Income tax expenses (note 22)	10.7	9.9
Net earnings for the year	46.3	50.1
Net earnings attributable to:		
Shareholders	46.3	50.1
Non-controlling interests	-	-
	46.3	50.1
Basic and diluted net earnings per share	1.15	1.91
Basic and diluted weighted average number of shares	40,312,474	26,233,234

The accompanying notes are an integral part of these consolidated financial statements.

* The presentation of the comparative figures has been modified. Details of the reclassification are presented in note 2.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2012, and 2011

IN MILLIONS OF CANADIAN DOLLARS	2012 $	2011 $
Comprehensive income		
Net earnings for the year	46.3	50.1
Other comprehensive income		
Actuarial gain on pension schemes (net of tax) (note 17)	2.2	-
Currency translation adjustments	17.6	0.1
Translation adjustments on financial instruments designated as net investment hedge (net of tax)	(6.6)	-
Changes in fair value of an investment	(0.1)	-
Total comprehensive income for the year	59.4	50.2
Comprehensive income attributable to:		
Shareholders	59.6	50.2
Non-controlling interests	(0.2)	-
	59.4	50.2

The accompanying notes are an integral part of these consolidated financial statements.

IN MILLIONS OF CANADIAN DOLLARS	Attributable to shareholders						
	Fund units $	Share capital $	Retained earnings $	Accumulated other comprehensive loss $	Total $	Non-controlling interest $	Total equity $
Balance – January 1, 2011	**275.8**	**-**	**8.7**	**(0.3)**	**284.2**	**88.2**	**372.4**
Reorganization							
Fund units exchanged for common shares (note 18)	(275.8)	275.8	-	-	-	-	-
Change in tax status (note 22)	-	(0.7)	-	-	(0.7)	-	(0.7)
Acquisition of the non-controlling interest (note 4c))							
Common shares issued	-	229.7	-	-	229.7	-	229.7
Adjustment to equity (note 4c))	-	(179.2)	-	-	(179.2)	-	(179.2)
Elimination of the non-controlling interest (notes 4c) and 19)	-	-	-	-	-	(88.2)	(88.2)
Common shares issued in business acquisitions (note 4d))	-	2.0	-	-	2.0	-	2.0
Common shares issued related to an equity private placement (note 18)	-	155.8	-	-	155.8	-	155.8
Common shares issued (note 18)	-	0.9	-	-	0.9	-	0.9
Investment by a non-controlling interest in GENIVAR France (note 19)	-	-	-	-	-	0.1	0.1
Comprehensive income							
Net earnings for the year	-	-	50.1	-	50.1	-	50.1
Currency translation adjustment	-	-	-	0.1	0.1	-	0.1
Changes in fair value of an investment	-	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**50.1**	**0.1**	**50.2**	**-**	**50.2**
Declared dividends to shareholders (note 23)	-	-	(41.6)	-	(41.6)	-	(41.6)
Balance – December 31, 2011	**-**	**484.3**	**17.2**	**(0.2)**	**501.3**	**0.1**	**501.4**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2012, and 2011

	Attributable to shareholders					
IN MILLIONS OF CANADIAN DOLLARS	Share capital $	Retained earnings $	Accumulated other comprehensive income (loss) $	Total $	Non-controlling interest $	Total equity $
Balance – January 1, 2012	**484.3**	**17.2**	**(0.2)**	**501.3**	**0.1**	**501.4**
Common shares issued in business acquisitions (notes 4b) and 18)	1.8	-	-	1.8	-	1.8
Common shares issued (note 18)	4.1	-	-	4.1	-	4.1
Common shares issued under the DRIP (note 18)	13.2	-	-	13.2	-	13.2
Common shares issued related to an equity private placement and a bought-deal (note 18)	399.9	-	-	399.9	-	399.9
Non-controlling interest acquired in a business acquisition (note 4a))	-	-	-	-	2.1	2.1
Comprehensive income						
Net earnings for the year	-	46.3	-	46.3	-	46.3
Actuarial gain on pension schemes (net of tax) (note 17)	-	-	2.2	2.2	-	2.2
Currency translation adjustments	-	-	17.8	17.8	(0.2)	17.6
Net investment hedge (net of tax)	-	-	(6.6)	(6.6)	-	(6.6)
Changes in fair value of an investment	-	-	(0.1)	(0.1)	-	(0.1)
Total comprehensive income	**-**	**46.3**	**13.3**	**59.6**	**(0.2)**	**59.4**
Declared dividends to shareholders (note 23)	-	(62.8)	-	(62.8)	-	(62.8)
Balance – December 31, 2012	**903.3**	**0.7**	**13.1**	**917.1**	**2.0**	**919.1**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2012, and 2011

IN MILLIONS OF CANADIAN DOLLARS	2012 $	2011 $
Cash flows generated from operating activities		
Net earnings for the year	46.3	50.1
Adjustments (note 24a))	38.8	25.3
Income tax expenses (note 22)	10.7	9.9
Income taxes paid	(11.8)	(21.8)
Net finance expenses (note 21)	8.4	4.3
	92.4	67.8
CHANGE IN NON-CASH WORKING CAPITAL ITEMS (NOTE 24B))	3.6	4.6
Net cash and cash equivalents generated from operating activities	96.0	72.4
Cash flows generated from financing activities		
Dividends paid to shareholders	(42.7)	(41.6)
Repayment of promissory notes	(3.0)	(12.0)
Net variation of loan payable and long-term debts	0.9	(0.3)
Repayment of notes payable	(9.4)	(10.0)
Repayment of balances payable to former shareholders	(5.0)	(8.9)
Repayment of finance leases	(0.3)	-
Finance expenses paid and financing costs	(8.9)	(4.3)
Net variation in bank advances	158.1	(4.3)
Repayment of WSP bank advances	(151.5)	-
Issuance of common shares, net of issuance costs (note 18)	401.3	155.3
Investment by a non-controlling interest in GENIVAR France	-	0.1
Net cash and cash equivalents generated from financing activities	339.5	74.0
Cash flows used in investing activities		
Business acquisitions (note 4a) and b))	(408.0)	(19.9)
Cash acquired in the acquisition of the non-controlling interest	-	3.2
Additions to property, plant and equipment	(16.6)	(8.7)
Proceeds from disposal of property, plant and equipment	1.4	0.2
Additions to intangible assets	(3.0)	(3.7)
Investments in a joint venture and in securities	(33.6)	(0.5)
Net cash and cash equivalents used in investing activities	(459.8)	(29.4)
Effect of exchange rate change on cash and cash equivalents	1.6	-
Net change in cash and cash equivalents	(22.7)	117.0
Cash and cash equivalents – Beginning of year	144.0	27.0
Cash and cash equivalents including bank overdraft (note 6) – End of year	121.3	144.0

The accompanying notes are an integral part of these consolidated financial statements.

1. BUSINESS DESCRIPTION

On January 1, 2011, GENIVAR Income Fund (the "Fund") completed a plan of arrangement providing for the reorganization of the Fund's income trust structure into a corporation named GENIVAR Inc. (the "Company" or "GENIVAR") and the simultaneous acquisition of the financial interest of the Fund's former non-controlling unitholder, GENIVAR Inc. ("Old GENIVAR"). As a result, GENIVAR directly and indirectly owns and operates the businesses which were previously owned and operated by the Fund and its subsidiaries and also owns the assets and liabilities previously owned by Old GENIVAR.

Pursuant to the plan, the unitholders received, for each unit of the Fund held, one common share of GENIVAR representing in the aggregate 18,103,589 common shares of GENIVAR and the shareholders of the non-controlling unitholder, Old GENIVAR, received an aggregate of 7,908,294 common shares of GENIVAR in exchange for their 33.35% indirect interest in a subsidiary of the Fund prior to the conversion. As a result, the conversion of the Fund was treated as a change in business form and the consolidated financial statements of GENIVAR were accounted for as a continuation of the consolidated financial statements of the Fund.

On August 1, 2012, the Company completed the acquisition of all issued and outstanding shares of WSP Group plc ("WSP"), a publicly-traded global multi-disciplinary professional services firm based in London, United Kingdom, for an amount of £4.35 per share for a total value of £277.7 ($437.6). Additional information on the WSP acquisition is disclosed in note 4a).

Through its combination with WSP, GENIVAR is a professional services firm, working with governments, businesses, architects and planners and providing integrated solutions across many disciplines, from designing zero-carbon cities to project managing large-scale Infrastructure projects. The Company offers a variety of project services throughout all project execution phases, from the initial development and planning studies through to the design, construction, commissioning and maintenance phases. GENIVAR operates in different industries: Buildings, Infrastructure (including Transportation and Municipal Infrastructure), Industrial and Energy (including Mining, Oil and Gas) and Environment. The address of its main registered office is 1600, René-Lévesque Boulevard West, Montreal, Quebec. The Company's common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "GNV."

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards and IFRIC interpretations ("IFRS") as defined in the Handbook of the Canadian Institute of Chartered Accountants and adopted by the International Accounting Standards Board. These financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities at fair value through the consolidated statement of earnings and the comprehensive income.

These financial statements were approved by the Company's Board of Directors on March 12, 2013.

CONSOLIDATION AND JOINT VENTURES

These consolidated financial statements include the accounts of the Company, its subsidiaries and all its special purpose entities for the years ended December 31, 2012, and 2011.

Non-controlling interests represent equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries, attributable to non-controlling interests, is presented as a component of equity. Their share of net earnings and comprehensive income is recognized directly in equity. Changes in the parent company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

All significant intercompany transactions and balances have been eliminated.

SUBSIDIARIES

Subsidiaries are entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from their activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the control ceases.

JOINT VENTURES

The Company conducts certain activities in joint ventures with other parties qualified as jointly controlled operations. The interests in such joint ventures are accounted for using the proportionate consolidation method, which results in the Company recording its pro rata share of the assets, liabilities, revenues, costs and cash flows of each of these jointly controlled operations using the most recent financial statements of the joint ventures available, which are not necessarily the ones as at the end of the reporting period. The Company also has an interest in a jointly controlled entity which is accounted for using the equity method and presented as an investment in the statements of financial position (note 8).

ASSOCIATES

Associates are all entities over which the Company has significant influence but not control. Investments in associates are accounted for using the equity method. Under this method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss and of other comprehensive income after the date of acquisition.

SPECIAL PURPOSE ENTITIES

Special purpose entities ("SPE"), as defined in SIC 12, "Consolidation – Special Purpose Entities" are entities which are created to accomplish a narrow and well-defined objective.

The Company consolidates SPEs when, based on the evaluation of the substance of the relationship with the Company, it concludes that it controls the SPE. A control exists when the Company has the power, directly or indirectly to govern the financial and operating policies of the entity so that the Company obtains benefits from its activities, whether it holds shares or not. All of the Company's SPEs are consolidated.

FOREIGN CURRENCY

The consolidated financial statements are presented in Canadian dollars, which is GENIVAR Inc.'s functional currency.

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the consolidated statement of earnings, except when deferred in other comprehensive income as qualifying for net investment hedges. Foreign exchange gains and losses that relate to borrowings are presented within finance expenses. All other foreign exchange gains and losses are presented within exchange loss (gain).

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated at the period end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The resulting changes are recognized in accumulated other comprehensive income in equity as currency translation adjustments.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing the performance of the operating segments and has been identified as the Executive Committee.

REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax and after eliminating sales within the group. Following the acquisition of WSP, the Company's operations will be affected by seasonality.

The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenues and profits from cost-plus contracts with ceilings and from fixed-price contracts are accounted for using the percentage-of-completion method, which is calculated on the ratio of contract costs incurred to total anticipated costs.

Revenues and profits from cost-plus contracts without stated ceilings and from short-term projects are recognized when costs are incurred and are calculated based on billing rates for the services performed.

Certain costs incurred by the Company for subconsultants and other expenses that are recoverable directly from clients are billed to them and therefore are included in revenues. The value of goods and services purchased by the Company, when acting as a purchasing agent for a client, is not recorded as revenues.

The effect of revisions to estimated revenues and costs is recorded when the amounts are known and can be reasonably estimated. These revisions can occur at any time and could be significant. Where total contract costs exceed total contract revenues, the expected loss is recognized as an expense immediately via a provision for losses to completion, irrespective of the stage of completion and based on a best estimate of forecast results including, where appropriate, rights to additional income or compensation, where they are probable and can be determined reliably. Given the uncertainties associated with these types of contracts, it is possible for actual costs to vary from estimates previously made, which may result in reductions or reversals of previously recorded revenues and profits.

PERSONNEL COSTS

Personnel costs include all payroll costs relating to the delivery of consulting services and projects and administrative salaries, such as finance, information technologies, human resources and communications.

SUBCONSULTANTS AND DIRECT COSTS

Subconsultants and direct costs include subconsultant costs and other direct costs incurred to deliver consulting services and that are recoverable directly from the clients.

OTHER OPERATIONAL COSTS

Other operational costs include but are not limited to fixed costs, such as occupancy costs, non-recoverable client services costs, technology costs, office costs, professional services costs and insurance.

FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are initially recognized at fair value, and their subsequent measurements are dependent on their classification, as described below. The classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Company’s designation of such instruments.

LOANS AND RECEIVABLES

Cash and cash equivalents, trade and other receivables and costs and anticipated profits in excess of billings are classified as loans and receivables. Financial assets classified as loans and receivables are accounted for at amortized cost using the effective interest rate method less any impairment loss.

AVAILABLE FOR SALE FINANCIAL ASSETS

Financial assets available for sale are non-derivatives, are carried at their fair value and recorded in non-current assets, unless it is anticipated that they will be sold within twelve months of the statement of financial position date. Realized gains or losses arising from changes in the fair value of available for sale assets are included in the consolidated statement of earnings in the period in which they are realized. Unrealized gains and losses are recorded in other comprehensive income.

OTHER LIABILITIES

Accounts payable and accrued liabilities, dividends payable to shareholders, the loan payable, notes payable, balances payable to former shareholders, obligations under finance leases, promissory notes, provisions, long-term debts and bank advances are classified as other liabilities and are recorded at amortized cost using the effective interest rate method.

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS (FVTP&L)

The interest rate swap does not qualify for hedge accounting and is therefore classified as FVTP&L and is measured at the current value of the redemption amount, which approximates fair value at the date of the statement of financial position. Unrealized gains and losses from changes in fair value are recorded in the consolidated statement of earnings.

TRANSACTION COSTS

Transaction costs related to loans and receivables and other liabilities are considered as part of the carrying value of the asset and liability and are then amortized over the expected life of the instrument using the effective interest rate method. In addition, transaction costs related to business acquisitions are expensed as incurred.

DETERMINATION OF FAIR VALUE

The fair value of a financial instrument is the amount of consideration that would be agreed on in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, the fair values of financial instruments that are quoted in active markets are based on bid prices for financial assets held and offer prices for financial liabilities. When independent prices are not available, fair values are determined by using valuation techniques that refer to observable market data when available.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

(a) hedges of the fair value of recognized assets and liabilities or a firm commitment (fair value hedge);

(b) hedges of a particular risk associated with a recognized asset or liability or a highly probably forecast transaction (cash flow hedge);

(c) hedges of a net investment in a foreign operation (net investment hedge).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

FAIR VALUE HEDGE

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of earnings together with any changes in the fair value of the hedged asset or liability that are attributable to the hedge risk. The Company does not currently have any fair value hedges.

CASH FLOW HEDGE

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of earnings.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the statement of earnings. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of earnings.

The Company currently has one interest rate swap that was acquired as part of WSP's acquisition. This instrument does not qualify for hedge accounting. The Company does not currently have any cash flow hedges.

NET INVESTMENT HEDGE

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in the statement of earnings.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks as well as all highly liquid short-term investments with original maturities of three months or less. For the purposes of the cash flow statement, cash and cash equivalents are net of bank overdraft.

TRADE RECEIVABLES

Trade receivables are amounts due from customers for the rendering of services in the ordinary course of business. Trade receivables are classified as current assets if payment is due within one year or less. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost, less impairment.

INVESTMENTS

Investment held in a jointly controlled entity is accounted for using the equity method. Investments in securities are accounted for at fair value with unrealized gains or losses recognized in other comprehensive income. Investments in associates are accounted for using the equity method.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognized. All other repairs and maintenance costs are charged to the consolidated statement of earnings during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the methods described below to allocate their cost to their residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation methods are reviewed at each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

The following table summarizes the depreciation methods, rates and periods used:

	Methods	Rates and periods
Buildings	Declining balance	1% to 4%
Leasehold improvements	Straight-line	Lease term
Furniture and equipment	Declining balance	10% to 33%
	Straight-line	10 years
Computer equipment	Straight-line	3 to 8 years

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of earnings within other operational costs.

INTANGIBLE ASSETS

SOFTWARE AND NON-COMPETITION AGREEMENTS

Software and non-competition agreements acquired separately from a business acquisition are carried at cost less accumulated amortization and accumulated impairment losses.

INTANGIBLE ASSETS ACQUIRED IN BUSINESS ACQUISITIONS

Intangible assets acquired in business combinations consist of software, customer relationships, contract backlogs and trade name. They are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date. They are carried at cost less accumulated amortization and accumulated impairment losses.

AMORTIZATION

Software, customer relationships, contract backlogs and non-competition agreements are considered intangible assets with finite useful lives. Based on the strength, long history and expected future use, trade names are indefinite-lived intangible assets. The useful life of intangible assets that are not being amortized is reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment. If not, the change in the assessment from indefinite to finite will be accounted for as a change in accounting estimates.

The other intangible assets are amortized as follows:

	Method	Periods
Software	Straight-line	3 to 7 years
Customer relationships	Straight-line	4 to 14 years
Contract backlogs	Straight-line	18 to 36 months
Non-competition agreements	Straight-line	3 to 5 years

IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets with finite useful lives are reviewed for impairment when events or circumstances indicate that the carrying amount may not be recoverable. Indefinite-lived assets are not subject to amortization but are tested for impairment on an annual basis in the fourth quarter, or more frequently if events or circumstances indicate that the carrying value may not be recoverable. Impairment exists when the recoverable amount of an asset is less than its carrying value. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGU"). The amount of impairment loss, if any, is the excess of the carrying value over its recoverable amount. Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

GOODWILL

Goodwill represents the excess of the consideration transferred for the acquired businesses over the estimated fair value at the acquisition date of net identifiable assets acquired. Goodwill is not subject to amortization and is carried at cost less accumulated impairment loss but is tested for impairment on an annual basis or more frequently if events or circumstances indicate that it might be impaired.

For the purpose of impairment testing, goodwill is allocated to each CGU expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually in the fourth quarter. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill cannot be reversed in a subsequent period.

TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. Trade payables are recognized initially at fair value and subsequently measured at amortized cost.

PROVISIONS

Provisions represent liabilities of the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the expected expenditures to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as an interest expense.

NOTES PAYABLE AND LOAN PAYABLE

Notes payable and loan payable are recognized initially at fair value, net of transaction costs incurred. Notes payable and the loan payable are subsequently stated at amortized cost with any difference between the proceeds (net of transaction costs) and the redemption value recognized in the consolidated statement of earnings over the term of the debt using the effective interest rate method. Interest on indebtedness is expensed as incurred unless capitalized for qualifying assets in accordance with IAS 23, "Borrowing Costs."

Notes payable and the loan payable are classified as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

INCOME TAXES

Tax is recognized in the consolidated statement of earnings except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Company follows the liability method when accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the financial statement values and the tax values of assets and liabilities. Deferred income tax assets and liabilities are measured using enacted or substantively enacted income tax rates expected to be in effect for the year in which the differences are expected to reverse. The deferred income tax is not accounted for when arising from initial recognition of an asset or liability in a transaction other than a business combination, that affects at the time of the transaction neither accounting nor taxable profit or loss. Morever, deferred tax is not recognized if it arises from the initial recognition of goodwill.

Deferred tax liabilities are generally recognized for all taxable temporary differences and for taxable temporary differences arising on investments in subsidiaries and joint ventures, except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be used.

Deferred income tax assets and liabilities are presented as non-current. They are offset when there is a legally enforceable right to offset tax assets against tax liabilities.

LEASES

Leases are classified as either operating or finance, based on the substance of the transaction at inception of the lease. The Company leases certain office premises and equipment in which a significant portion of the risks and rewards of ownership are retained by the lessor. These are classified as operating leases. Payments made under these leases (net of any incentives received from the lessor) are charged to the consolidated statement of earnings on a straight-line basis over the period of the lease.

Finance leases which transfer to the Company substantially all the risks and benefits of ownership of the asset are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Finance expenses are charged to the statement of earnings over the period of the agreement. Obligations under finance leases are included in financial liabilities net of finance costs allocated to future periods. Capitalized leased assets are depreciated over the estimated life of the asset or the lease term.

PENSION SCHEMES

The Company maintains a number of defined contribution schemes and contributions are charged to the statement of earnings in the year in which they are due. In addition, the Company operates defined benefit schemes which require contributions to be made to separately administered funds. The cost of providing benefits under defined benefit schemes is determined separately for each scheme using the projected unit credit actuarial valuation method. Current and past service costs together with curtailment and settlement costs are charged to operating profit. Interest costs which are based on a notional charge based on scheme liabilities during the year, less expected returns on scheme assets, are charged to net finance expenses. Actuarial gains and losses are fully recognized in equity through the statement of comprehensive income as they arise. The statement of financial position reflects the schemes' full surplus or deficit at the balance sheet date.

SHARE CAPITAL

Issuance costs directly attributable to the issuance of shares are recognized as a deduction from equity, net of income tax effects.

DIVIDENDS

Dividends on common shares are recognized in the Company's financial statements in the period in which the dividends are declared.

EARNINGS PER SHARE

Basic earnings per share are determined using the weighted average number of shares outstanding during the year.

Diluted earnings per share are determined using the weighted average number of shares outstanding during the period, plus the effects of dilutive potential shares outstanding during the period. The calculation of diluted earnings per share is made using the treasury stock method. The Company has no dilutive items for the years ended December 31, 2012, and December 31, 2011.

COMPARATIVE FIGURES

The statement of earnings presentation has been modified following the acquisition of WSP to provide a better understanding of the nature of expenses incurred by the combined entity. The prior year comparative figures have been reclassified to conform to the presentation of the current year. These changes have no impact on the statements of financial position, the statements of cash flows or on the statements of comprehensive income.

In the year ended December 31, 2011, direct personnel costs amounting to $265.7 and subconsultants and direct costs amounting to $122.9 previously grouped in the line "Costs" were reclassified on separate lines in the statement of earnings. Personnel costs included in the line "Marketing, general and administrative" amounting to $106.2 were also reclassified to the "Personnel costs" line. All other expenses previously included in the heading "Marketing, general and administrative" were included in other operational costs.

RECENT ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

IFRS 9, "Financial Instruments," was issued in November 2009 and is mandatory for accounting periods beginning after January 1, 2015. This standard will replace IAS 39, "Financial Instruments: Recognition and Measurement." This standard presents two measurement categories: amortized cost and fair value. The standard specifies which kind of financial instruments are measured at amortized cost or at fair value. Guidance on financial liabilities and derecognition of financial instruments is also included. The Company is in the process of assessing the impact of this new standard on its consolidated financial statements.

In 2011, the IASB issued standards that became effective starting January 1, 2013. Early adoption is permitted.

- IFRS 10, "Consolidated Financial Statements," builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This standard replaces SIC-12, "Consolidation – Special Purpose Entities" and parts of IAS 27, "Consolidated and Separate Financial Statements."
- IFRS 11, "Joint Arrangements," addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. This standard replaces IAS 31, "Interest in Joint Ventures" and SIC-13, "Jointly Controlled Entities – Non-Monetary Contributions by Venturers."
- IFRS 12, "Disclosure of Interests in Other Entities," is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
- IFRS 13, "Fair Value Measurement," sets out a framework for fair value measurement and specifies disclosures related to fair value measurement.
- In addition, there have been amendments to existing standards, including IAS 28, "Investment in Associates and Joint Ventures." This standard has been modified to include joint ventures in its scope and to address the changes brought to other standards.

These standards will increase the required disclosure. However, Management does not expect the standards to have a significant impact on the consolidated financial position of the Company.

- IAS 19, “Employee Benefits,” has been amended to make significant changes to the recognition and measurement of defined benefit pension expense and termination benefits and to enhance the disclosure of all employee benefits. A number of amendments have been made to recognition, measurement and classification including redefining short-term and other long-term benefits, guidance on the treatment of taxes related to benefit plans, guidance on risk or cost sharing features, and expanded disclosures.

  Following the application of these changes, the Company will have to recognize all past service costs; and to replace finance expenses and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability. As a result, the net finance expenses on pension obligations would increase by $0.1 for 2012 and are expected to be higher by $0.2 for 2013.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires Management to make estimates and judgments about the future.

Estimates and judgments are continually evaluated and are based on historical trends and other factors, including expectations of future events that are likely to materialize under reasonable circumstances. Accounting estimates will, by definition, seldom equal the actual results. The following discussion sets forth Management’s:

- Most critical estimates and assumptions in determining the value of assets and liabilities; and
- Most critical judgments in applying accounting policies.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company must make an assessment of whether accounts receivable are recoverable from customers. Accordingly, Management establishes an allowance for estimated losses arising from non-payment, taking into consideration customer creditworthiness, current economic trends and past experience. If future collections differ from estimates, future earnings would be adjusted accordingly. As at December 31, 2012, the allowance was $4.2 ($5.3 as at December 31, 2011), of the gross trade receivable balance of $422.2 ($187.2 as at December 31, 2011). An increase to the reserve based on 1.0% of the trade receivable would decrease earnings by approximately $4.2 for the year ended December 31, 2012 ($1.9 for 2011).

Furthermore, trade receivables from one government agency that represent a net amount of $12.1 ($13.3 in 2011) are outstanding for more than 36 months. In assessing the value of these accounts, Management has used different assumptions about when those amounts will be collected and the percentage that can be recovered. Management believes, taking into account all actions that are undertaken, that the net carrying amount can be recovered. Further information can be found in note 26.

OTHER IDENTIFIABLE INTANGIBLE ASSETS AND GOODWILL

Identifiable intangible assets and goodwill, excluding software and non-competition agreements, represented $833.3 of total assets on the consolidated statement of financial position as at December 31, 2012 ($263.4 as at December 31, 2011). These assets arise out of business combinations. The Company had a total consideration transferred of $477.7 for the 2012 business acquisitions ($27.6 for 2011) (notes 4a), b) and d)) and applied the acquisition method of accounting to these transactions. In measuring the fair value of the assets acquired and the liabilities assumed and estimating their useful lives, Management used significant estimates and assumptions regarding cash flow projections, economic risk and weighted cost of capital.

These estimates and assumptions determine the amount allocated to other identifiable intangible assets and goodwill, as well as the amortization period for identifiable intangible assets with finite lives. If results differ from estimates, the Company may increase amortization or impairment charges.

COSTS AND ANTICIPATED PROFITS IN EXCESS OF BILLINGS

The Company values its costs and anticipated profits in excess of billings based on the time and materials charged into each project. Costs and anticipated profits in excess of billings for each project are reviewed on a monthly basis to determine whether the amount is a true reflection of the amount that will be invoiced on the project. Where the review determines that the value of costs and anticipated profits in excess of billings exceed the amount that can be invoiced, adjustments are made to the costs and anticipated profits in excess of billings. The valuation of costs and anticipated profits in excess of billings involves estimates of the volume of work required to complete the project. Errors in the estimation of work required to complete the projects could lead to the undervaluation or overvaluation of costs and anticipated profits in excess of billings.

RETIREMENT BENEFIT OBLIGATIONS AND RELATED DEFERRED TAX

The present value of obligations is calculated on an actuarial basis which depends on a number of assumptions relating to the future. These key assumptions are assessed regularly according to market conditions and data available to Management. Additional details are given in note 17.

INCOME TAXES

CURRENT INCOME TAXES

The Company is subject to income tax laws and regulations in several jurisdictions. Judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due in the future. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

DEFERRED TAX ASSETS

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's most recent approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Company operates are also carefully taken into consideration. If a forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, this deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

4. BUSINESS ACQUISITIONS

The acquisitions have been accounted for using the acquisition method, and the operating results have been included in the consolidated financial statements from the date of acquisition. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company will report provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

The measurement period is the period from the date of acquisition to the date the Company obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

A) ACQUISITION OF WSP

On August 1, 2012, the Company concluded the transaction pertaining to the acquisition of WSP by acquiring all the remaining shares of WSP for an amount of £256.8 ($405.0). GENIVAR had previously acquired 7.53% of WSP common shares on the open market in June 2012 for an amount of £20.9 ($32.6). WSP operates in more than 30 countries through subsidiaries and joint ventures with activities in the following market segments: Buildings; Transport and Infrastructure; Environment and Energy; and Management and Industrial. This transaction will result in the creation of a global platform positioning GENIVAR to pursue its strategy of expanding its network.

Consideration as at August 1, 2012

	$
Cash transferred	405.0
Fair value of equity interest held before the business combination	32.6
Total consideration	437.6

The Company recognized an exchange loss of $0.7 as a result of remeasuring, at fair value at acquisition date, the interest previously held in WSP.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

The table below presents Management's preliminary assessment of the fair values of the assets acquired and the liabilities assumed. Management was assisted by an independent valuator. The final assessment of the fair values will be finalized after the values of assets and liabilities have been definitively determined. Accordingly, the following values are subject to changes and such changes may be material.

	$
Assets acquired	
Current assets	409.6
Investment in associates (note 8)	24.7
Property, plant and equipment	
Land and buildings	0.9
Leasehold improvements	7.3
Furniture and equipment	10.2
Computer equipment	17.6
Intangible assets	96.0
Deferred income tax assets	26.9
	593.2
Goodwill	459.8
	1,053.0
Liabilities assumed	
Current liabilities	312.9
Long-term financial liabilities	164.1
Retirement benefit obligations (note 17)	106.5
Deferred income tax liabilities	29.8
Non-controlling interest	2.1
	615.4
Consideration	437.6

Goodwill is attributable to the workforce of the acquired business and the synergies expected to arise with the Company after the acquisition. None of the goodwill recognized is expected to be deductible for income tax purposes.

The receivables acquired (which mainly comprise trade receivables) had a fair value of $208.1 and a gross contractual amount of $247.2.

At the acquisition date, the acquired company had a committed syndicated facility amounting to $238.2 (£152.5). WSP also had some additional minor facilities with local relationship banks in the countries in which it operates. The main credit facility was closed shortly after the acquisition (note 12).

Acquisition-related costs of $12.3 have been expensed and included in the other operational costs.

The acquired business contributed revenues of $545.1 and net earnings of $16.6 from August 1, 2012, to December 31, 2012. If the acquisition of WSP had occurred on January 1, 2012, the Company's revenues and net earnings for the year would have increased to $1,972.7 and to $62.2, respectively.

B) OTHER ACQUISITIONS MADE BY THE COMPANY IN 2012

- On January 1, 2012, the Company acquired all the outstanding shares of Consultores Regionales Asociados - CRA S.A.S. ("CRA"), an engineering firm specialized in civil engineering, energy and telecommunications based in Bogotá, Colombia. This acquisition is part of the international growth strategy of the Company and represents an ideal platform in this region to build and grow the Company's activities in all market segments.
- On February 26, 2012, the Company acquired all the outstanding shares of Les Investissements R.J. Inc. ("Investissements R.J."), a Quebec-based engineering firm specialized in mechanical and electrical engineering. This new expertise enables the Company to meet the growing client demand in the Building sector.
- On February 29, 2012, the Company acquired all the outstanding shares of GRB Engineering Ltd. ("GRB"), a Calgary-based engineering firm specialized in engineering services and project management for the oil and gas industry. This acquisition fits very well in the Company's development strategy and strengthens the Company's leadership both in Alberta and in the oil and gas industry.
- On March 14, 2012, the Company and a special purpose entity controlled by the Company acquired all the outstanding shares of Smith Carter Architects and Engineers Inc. and of Smith Carter (USA) LLC, collectively "Smith Carter," an international leader in the areas of integrated architectural design and engineering. This firm has headquarters in Winnipeg and offices in Calgary and Ottawa in Canada, as well as in Atlanta and Washington, D.C. in the United States. With this transaction, the Company achieved two expansion objectives, which were to strengthen the Company's presence in Western Canada and enter the United States market.
- On June 15, 2012, a special purpose entity controlled by the Company acquired all the outstanding shares of North 46 Architecture Inc. ("North 46"), an Atlantic-based firm specialized in architecture, which enables the Company to strengthen its presence in both architecture and engineering in Prince Edward Island.

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The final assessment of the fair values of the assets acquired and liabilities assumed of CRA, Investissements R.J., GRB, Smith Carter and North 46 is completed by Management, which was assisted by an independent valuator for the CRA, GRB and Smith Carter assessments. None of these acquisitions were individually material, therefore the Company has chosen to disclose the required information in aggregates.

	$
Assets acquired	
Current assets	21.3
Property, plant and equipment	12.6
Intangible assets	3.8
	37.7
Goodwill	28.1
	65.8
Liabilities assumed	
Current liabilities	15.9
Long-term debts	7.6
Deferred income tax liabilities	2.2
	25.7
Consideration	40.1
Less:	
Net cash acquired	(2.6)
Notes payable	(7.7)
74,707 common shares issued*	(1.8)
Net cash used for the acquisitions	28.0

* The shares issued were valued using the closing price at the acquisition date, less issuance-related costs.

Goodwill is attributable to the workforce of the acquired businesses and the significant synergies expected to arise, after the acquisitions, with the Company's current market segments. Out of the goodwill recognized, an amount of $4.0 should be deductible for income tax purposes.

The aggregated acquired businesses, excluding WSP, contributed revenues of $47.4 to the Company's results, from the date of their acquisitions to December 31, 2012. If these acquisitions had occurred on January 1, 2012, the Company's revenues for the year would have increased to $1,265.2. The Company integrates the operations and systems of these businesses shortly after their acquisition. Therefore, it is impracticable for the Company to disclose these acquirees' net earnings since the acquisition date.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

The receivables acquired (which principally comprise trade receivables) had a fair value of $12.2, which is similar to the gross contractual amount.

These acquired companies had available credit facilities amounting to $2.5 at the time of their acquisition. Out of these credit facilities, $0.2 is still available as at December 31, 2012.

As at December 31, 2012, no amounts were recognized in the statement of earnings for the contingent consideration arrangements recognized in previous periods as there were no changes in fair value.

C) ACQUISITION OF THE NON-CONTROLLING INTEREST IN 2011

As part of the reorganization that occurred on January 1, 2011, the Company acquired Old GENIVAR, the legal entity holding a non-controlling interest in GENIVAR LP, a subsidiary of the Fund. The consideration transferred for the acquisition of the non-controlling interest was adjusted for the fair value of the net liabilities assumed in Old GENIVAR. As the transaction primarily reflects a transaction amongst equity holders, the difference between the consideration transferred and the non-controlling interest (adjusted for the net liabilities assumed) was recorded as an adjustment to equity.

	$
Issuance of 7,908,294 common shares (note 18)	229.7
Less: Acquisition of the units held in GENIVAR LP	(88.2)
Plus: Net liabilities assumed	33.4
Plus: Deferred income tax liabilities related to the acquisition of the non-controlling interest	4.3
Adjustment to equity	179.2

The acquisition of the non-controlling interest was made as part of the reorganization and conversion from an income trust structure to a corporation (note 1). The common shares issued were valued at the closing price on December 31, 2010, which was $30.43 per unit for a total amount of $240.6 less a discount of $10.9 relative to the lock-up agreements. The discount was calculated using the Black & Scholes model with a discount rate of 4.3%, 6.1% or 8.7% depending on the lock-up periods.

The Company had to recognize the deferred income tax assets and liabilities related to the acquisition of its non-controlling interest. On January 1, 2011, an amount of $4.3 was recognized as an increase of the deferred income tax liabilities and as a decrease of the shareholders' equity since this transaction is considered to be amongst equity holders.

D) OTHER ACQUISITIONS MADE BY THE COMPANY IN 2011

- On February 1, 2011, the Company acquired all the outstanding shares of Delcom Engineering Ltd. ("Delcom"), a Prince Edward Island-based engineering consulting and land surveying firm. Through this acquisition, the Company reinforces its approach of being a global player with a strong local presence in Atlantic Canada.

- On February 28, 2011, the Company acquired all the outstanding shares of Decibel Consultants Inc. ("Decibel"), a Quebec-based engineering consulting firm specializing in architectural acoustics and industrial environmental noise measurement and control, which are additional specializations to the Company's range of expertise.
- On May 28, 2011, a special purpose entity controlled by the Company acquired all the outstanding shares of WHW Architects Incorporated ("WHW"), an Atlantic-based architectural consulting firm, which enables GENIVAR to increase the array of services previously offered and accelerates the Company's growth in Atlantic Canada.
- On July 1, 2011, the Company acquired all the outstanding shares of Groupe OptiVert inc. ("OptiVert"), a Quebec-based engineering consulting firm specialized in forest management consulting services. This acquisition adds to the Company's current array of expertise in environment.
- On July 1, 2011, the Company acquired all the outstanding shares of JMH Environmental Solutions Ltd. ("JMH"), an Alberta-based engineering consulting firm specialized in oil and gas environmental consulting. The Company diversifies its environmental expertise through this acquisition.
- On July 15, 2011, the Company acquired all the outstanding shares of Dakins Engineering Group Ltd. ("Dakins"), an Ontario-based engineering firm specialized in water and wastewater management, which allows the Company to better serve the Municipal Infrastructure market segment, as well as leverage its expertise into the Industrial and Energy market segment.
- On August 28, 2011, a special purpose entity controlled by the Company acquired all the outstanding shares of Arcop while it established a strong alliance with Le Groupe Arcop S.E.N.C., a Quebec-based architectural consulting firm. This alliance allows the Company to offer integrated solutions for its national and regional clients in the Building market segment.
- On October 2, 2011, the Company acquired all the outstanding shares of ISACtion Inc. ("ISAC"), a Quebec-based firm specialized in industrial automation integration. This acquisition should help the Company to meet its clients' growing needs in the aluminum and mining sectors.
- On October 2, 2011, the Company acquired an interest in a Quebec-based geomatics group and land surveying firm ("Giroux") by acquiring all the preferred shares and 49% of the common shares of Groupe Giroux Inc. and Groupe Giroux arpenteurs-géomètres Inc. and all the shares of Giroux équipement d'arpentage Inc. and Entreprise Normand Juneau Inc. This acquisition enables the Company to build a solid platform in Quebec in these fields and reinforces GENIVAR's range of client services.
- On December 1, 2011, a special purpose entity controlled by the Company acquired all the outstanding shares of AE Consultants, a professional services firm in architecture and engineering based in Newfoundland and Labrador. Through this acquisition, the Company is delivering its growth strategy of expanding across Canada as the Company is now established in all ten Canadian provinces.

In 2011, the final assessment of the fair values of the assets acquired and liabilities assumed of Delcom, Decibel, WHW, OptiVert, JMH, Dakins, ISAC and Giroux was completed by Management, in certain cases with the assistance of an independent valuator. The assessment of the fair values of the identifiable net assets acquired from Arcop and AE Consultants was preliminary and has been finalized in 2012 with no significant adjustments to the preliminary amounts.

No individual acquisitions were material, therefore the Company has chosen to present them aggregated.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

	$
Assets acquired	
Current assets	18.6
Property, plant and equipment	2.7
Intangible assets	4.0
	25.3
Goodwill	18.0
	43.3
Liabilities assumed	
Current liabilities	14.4
Deferred income tax liabilities	1.3
	15.7
Consideration	27.6
Plus (less):	
Net cash acquired	0.9
Notes payable	(6.6)
92,912 common shares issued*	(2.0)
Net cash used for the acquisitions	19.9

* The shares issued were valued using the closing price at the acquisition dates, less issuance-related costs.

The contingent consideration arrangements require the Company to pay the former owners of the acquired business considerations that are contingent on achieving a specified level of earnings in future periods. A total amount of $2.4 was recorded at the acquisition date, which represents the fair value of the contingent considerations. The potential undiscounted amount of all future payments that the Company could have been required to make under those arrangements is between $0 and $3.0. As of December 31, 2012, and 2011, no amounts were recognized in the statement of earnings for contingent consideration arrangement as there were no changes in fair value.

Goodwill is attributable to the workforce of the acquired businesses and the significant synergies expected to arise after the acquisition with the Company's current market segments. None of the goodwill recognized is expected to be deductible for income tax purposes.

The aggregated acquired businesses contributed revenues of $20.1 to the Company's results, from the date of their acquisitions to December 31, 2011. If the acquisitions had occurred on January 1, 2011, the Company revenues for the year would have increased to $681.8. The Company integrates the operations and systems of acquired businesses shortly after their acquisition date. Therefore, it is impracticable for the Company to disclose the acquiree's earnings since the acquisition date.

The receivables acquired (which principally comprise trade receivables) had a fair value and a gross contractual amount of $13.3.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

5. JOINT VENTURES

The Company holds interests in jointly controlled operations. The lists below present the most significant ones.

	2012		
Name	**Interest**	**Country**	**Main activity**
SM Gespro inc.	50%	Canada	Engineering services
Consortium GENIVAR / AECOM TECSULT	55%	Canada	Engineering services
Consortium GENIVAR / DESSAU / ROCHE	40%	Canada	Engineering services
Consortium GENIVAR / DESSAU	50%	Canada	Engineering services
Consortium GENIVAR / CIMA+ / DESSAU	33%	Canada	Engineering services
Groupement SLG	43%	Canada	Engineering services
Consortium SNC-LAVALIN / CIMA+ / GENIVAR	33%	Canada	Engineering services
Consortium SNC-LAVALIN / CIMA+ / GENIVAR	33%	Canada	Engineering services
GENIVAR / WASKA	80%	Canada	Engineering services
Consortium GENIVAR / CIMA+ / DESSAU-SOPRIN	33%	Canada	Engineering services
GENIVAR / NUVUMIUT	50%	Canada	Engineering services
The ARCOP Group / Gersovitz Moss Architects	50%	Canada	Architecture Services
Consortium ROCHE / GENIVAR	50%	Canada	Engineering services
TWSP	50%	Australia	Engineering services
Carillion WSP	40%	England	Engineering services
WSP May Gurney	50%	England	Engineering services
Barhale WSP	35%	England	Engineering services
KAWSP	40%	Qatar	Engineering services

	2011
Name	**Interest**
SM Gespro inc.	50%
Consortium SNC-LAVALIN / CIMA+ / GENIVAR	33%
GENIVAR / WASKA	80%
Groupement SLG	43%
Consortium GENIVAR / CIMA+ / DESSAU	33%
Consortium GENIVAR / DESSAU / ROCHE	40%
Consortium GENIVAR / AECOM TECSULT	55%
Consortium SM / DESSAU-SOPRIN / GENIVAR	33%
Consortium GENIVAR / CIMA+ / DESSAU-SOPRIN	33%
Consortium SNC-LAVALIN / GENIVAR	50%
Consortium SNC-LAVALIN / CIMA+ / GENIVAR	33%
Consortium BPR-GENIVAR	50%

In 2011, all significant jointly controlled operations operated in Canada and provided engineering services.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

The following is a summary of the Company's proportionate share in the assets, liabilities, revenues and costs of the jointly controlled operations, included in the consolidated financial statements:

	2012 **$**	**2011** **$**
Statements of earnings		
Revenues	105.5	62.1
Costs	82.9	40.9
Share of earnings before income taxes	22.6	21.2

	December 31, 2012 **$**	**December 31, 2011** **$**
Assets		
Current assets	57.9	35.2
Property, plant and equipment	0.9	-
Other non-current assets	0.1	-
Total assets	58.9	35.2
Liabilities		
Current liabilities	39.3	15.0
Non-current liabilities	2.2	-
Total liabilities	41.5	15.0

There are no contingent liabilities relating to the Company's interest in jointly controlled operations, and no contingent liabilities of the venture itself.

The Company also has a 50% interest in a jointly controlled entity, which is accounted for using the equity method (note 8).

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

6. CASH AND CASH EQUIVALENTS

	December 31, 2012 $	December 31, 2011 $
Cash		
Cash at banks and on hand	127.7	144.0
Cash and cash equivalents		
Less: Bank overdraft (note 16)	(6.4)	-
Cash and cash equivalents less bank overdraft	121.3	144.0

As at December 31, 2012, and 2011, the Company has set aside in a bank account an amount of $2.5 as a security for the payment and performance of its guarantor's obligations for a jointly controlled entity (note 8). As at December 31, 2012, the Company has also restricted cash of $3.3 that was deposited as collateral for borrowing, letters of credit and commitments. This cash is not available for general operating purposes.

7. TRADE, PREPAID AND OTHER RECEIVABLES

	December 31, 2012 $	December 31, 2011 $
Trade receivables	422.2	187.2
Allowance for doubtful accounts	(4.2)	(5.3)
Net trade receivables*	418.0	181.9
Amounts due from joint ventures and associates undertaking	2.1	-
Other receivables*	18.8	7.3
Prepaid expenses	31.5	5.7
	470.4	194.9

* Net trade receivables and other receivables include holdbacks amounting to $4.9 ($3.9 as at December 31, 2011).

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

The aging of gross trade receivables past due was as follows:

	December 31, 2012 $	December 31, 2011 $
Past due 0-30 days	75.3	32.3
Past due 31-60 days	33.3	16.7
Past due 61-90 days	18.1	11.9
Past due 91-180 days	28.8	13.5
Past due over 180 days*	45.8	35.0
Balance – End of year	201.3	109.4

* The trade receivables past due for more than 180 days included accounts from one government agency that represents an amount of $13.2 as at December 31, 2012 ($16.3 in 2011) (note 26). This age group also includes some accounts that were acquired as part of business acquisitions for which purchase adjustment clauses were signed.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The changes in the allowance for doubtful accounts were as follows:

	2012 $	2011 $
Balance – Beginning of year	5.3	7.3
Adjustments of allowance	(0.8)	(2.1)
Exchange differences	(0.3)	0.1
Balance – End of year	4.2	5.3

The Company is exposed to credit risk with respect to its accounts receivable and maintains provisions for potential credit losses. Potential for such losses is mitigated because customer creditworthiness is evaluated before credit is extended and there is no significant exposure to a single customer, except for the information disclosed in note 26.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

8. OTHER ASSETS

	December 31, 2012 $	December 31, 2011 $
Deferred financing fees	1.9	-
Investments		
Investment in associates (note 4a))*	28.5	-
Investment in a joint venture at equity method**	2.0	1.9
Financial assets available for sale***	1.3	0.3
	33.7	2.2

* GENIVAR acquired, as part of the acquisition of WSP, two associates, Multiconsult AS and LINK Arkitketur AB, in which it ultimately holds a 24.7% and a 27.9% interest.

** Investment in a jointly controlled entity in which the Company holds a 50% interest. The entity was created to build and manage an office building.

*** Financial assets available for sale include the capital value of life insurance policies and minor investments in equity instruments.

The Company has granted security interest for the credit facilities made available to a jointly controlled entity for the construction of the office building. Its liability is limited to a maximum amount of $4.0 ($4.0 in 2011).

The changes in the investments were as follows:

	Joint venture at equity method $	Associates $
Balance as at January 1, 2011	-	-
Acquisition through Old GENIVAR's acquisition	1.6	-
Investment	0.3	-
Balance as at December 31, 2011	1.9	-
Investment	0.1	-
Business acquisition (note 4a))	-	24.7
Share of earning for the year (net of tax)*	-	1.9
Exchange differences	-	1.9
Balance as at December 31, 2012	2.0	28.5

* For the year, the Company's share of revenues in associates is $31.7. The share of earnings includes an income tax expense of $0.7 and an amortization expense of $0.7.

The following is a summary of the Company's proportionate share in the assets and liabilities of the associates:

	December 31, 2012 $
Assets	
Current assets	29.5
Property, plant and equipment	2.4
Other non-current assets	9.1
Total assets	41.0
Liabilities	
Current liabilities	20.9
Non-current liabilities	2.0
Total liabilities	22.9

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

9. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings $	Leasehold improvements $	Furniture and equipment $	Computer equipment $	Total $
Balance as at January 1, 2011					
Cost	11.5	7.6	15.6	15.3	50.0
Accumulated depreciation	(1.3)	(2.9)	(5.8)	(5.4)	(15.4)
Net value	10.2	4.7	9.8	9.9	34.6
Additions	0.1	0.7	3.1	4.8	8.7
Additions through business acquisitions (note 4)	1.5	0.5	1.8	0.4	4.2
Disposals	-	-	(0.2)	-	(0.2)
Depreciation for the year	(0.4)	(1.2)	(2.8)	(3.6)	(8.0)
	1.2	-	1.9	1.6	4.7
Balance as at December 31, 2011	11.4	4.7	11.7	11.5	39.3
Balance as at December 31, 2011					
Cost	13.1	8.8	19.8	20.5	62.2
Accumulated depreciation	(1.7)	(4.1)	(8.1)	(9.0)	(22.9)
Net value	11.4	4.7	11.7	11.5	39.3
Additions	-	3.8	5.1	7.7	16.6
Additions through business acquisitions (note 4a) and b))	11.5	7.6	11.2	18.3	48.6
Disposals	-	-	(0.9)	(0.5)	(1.4)
Depreciation for the year	(0.7)	(2.2)	(5.2)	(8.1)	(16.2)
Exchange differences	-	0.1	0.6	0.5	1.2
	10.8	9.3	10.8	17.9	48.8
Balance as at December 31, 2012	22.2	14.0	22.5	29.4	88.1
Balance as at December 31, 2012					
Cost	24.7	19.6	35.3	46.2	125.8
Accumulated depreciation	(2.5)	(5.6)	(12.8)	(16.8)	(37.7)
Net value	22.2	14.0	22.5	29.4	88.1

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

10. INTANGIBLE ASSETS

	Software $	Contract backlogs $	Customer relationships $	Non-competition agreements $	Trade names $	Total $
Balance as at January 1, 2011						
Cost	19.8	6.2	88.2	3.2	4.6	122.0
Accumulated amortization	(8.4)	(1.7)	(24.6)	(1.7)	-	(36.4)
Net value	11.4	4.5	63.6	1.5	4.6	85.6
Additions	3.4	-	-	0.3	-	3.7
Additions through business acquisitions (note 4d))	0.1	1.0	2.9	-	-	4.0
Disposals	-	-	-	-	-	-
Amortization for the year	(3.6)	(3.1)	(9.8)	(0.8)	-	(17.3)
Exchange differences	-	-	-	-	-	-
	(0.1)	(2.1)	(6.9)	(0.5)	-	(9.6)
Balance as at December 31, 2011	11.3	2.4	56.7	1.0	4.6	76.0
Balance as at December 31, 2011						
Cost	23.1	4.7	91.2	2.7	4.6	126.3
Accumulated amortization	(11.8)	(2.3)	(34.5)	(1.7)	-	(50.3)
Net value	11.3	2.4	56.7	1.0	4.6	76.0
Additions	2.8	-	-	0.2	-	3.0
Additions through business acquisitions (note 4a) and b))	13.7	20.2	21.4	-	44.5	99.8
Disposal	-	-	-	-	-	-
Amortization for the year	(7.3)	(5.0)	(11.6)	(0.7)	-	(24.6)
Exchange differences	0.6	0.3	0.3	-	1.7	2.9
	9.8	15.5	10.1	(0.5)	46.2	81.1
Balance as at December 31, 2012	21.1	17.9	66.8	0.5	50.8	157.1
Balance as at December 31, 2012						
Cost	40.0	23.6	112.8	2.4	50.8	229.6
Accumulated amortization	(18.9)	(5.7)	(46.0)	(1.9)	-	(72.5)
Net value	21.1	17.9	66.8	0.5	50.8	157.1

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The carrying amount of intangible assets assessed as having an indefinite useful life, which consists of the trade names, is $50.8 as at December 31, 2012 ($4.6 in 2011).

During the year, the Company acquired intangible assets amounting to $102.8 ($7.7 in 2011), all of which are subject to amortization except for the trade name, which represents $44.5.

11. GOODWILL

	2012 $	2011 $
Balance – Beginning of year	199.7	181.7
Goodwill resulting from business acquisitions (note 4a), b) and d))	487.9	18.0
Exchange differences	10.2	-
Balance – End of year	697.8	199.7

As at December 31, 2012, goodwill amounting to $61.8 ($39.4 as at December 31, 2011) is deductible for income tax purposes.

Due to the acquisition of WSP and the change in operating segment, the Company has revisited its CGU and reallocated goodwill accordingly. The Company conducted its annual goodwill impairment tests using the revised CGUs.

Goodwill amounting to $697.8 ($199.7 as at December 31, 2011) and trade name amounting to $4.6 ($4.6 in 2011) are allocated to the Company's CGUs. The WSP trade name is not allocated to a specific CGU since it is considered to be a corporate asset. The carrying value of goodwill and trade name by CGU are identified in the table below:

	December 31, 2012 $	December 31, 2011 $
Cash generating unit		
Canada	232.6	204.3
United States	88.0	-
United Kingdom	105.3	-
Northern Europe	223.9	-
Rest of the World	52.6	-
WSP trade name	46.2	-
Total of goodwill and trade names	748.6	204.3

IMPAIRMENT TEST OF GOODWILL AND TRADE NAMES

The Company performed its annual impairment test for goodwill and trade names in December 2012 and 2011 in accordance with its policy described in note 2. The recoverable value of each CGU exceeded their carrying values. As a result, no goodwill impairment was recorded.

VALUATION TECHNIQUE

FAIR VALUE LESS COSTS TO SELL

The recoverable value of each CGU was based on fair value less costs to sell. The following methodology and assumptions were applied to determine the fair value less costs to sell for all CGUs.

The fair value less costs to sell is calculated using the 2013 net revenues and EBITDA margin budgeted and a constant growth for the next four years by the CGU. The EBITDA is defined as earnings before financial expenses, taxes, depreciation and amortization. The Company considered past experience, economic trends as well as industry and market trends in assessing if the level of EBITDA can be maintained in the future. For the purpose of this test, Management used a 5-year period to project future cash flows. Beyond this period, the Company uses a growth rate varying between 2.0% to 5.0% with an EBITDA margin varying between 6.5% and 12.4%. The Company also uses a discount rate varying between 9.5% and 11.1%. The discount rate represents the weighted average cost of capital ("WACC") that was used at the acquisition date. The WACC is an estimate of the overall rate of return required by debt and equity holders on their investments. Determining the WACC requires analyzing the cost of equity and debt separately, and takes into account a risk premium that is based on the applicable CGU. Costs to sell are calculated based on 1% of the total fair value so determined, which is in line with the transaction costs incurred in past acquisitions. As WSP was acquired on August 1, 2012, some key assumptions included in this test are the same as the ones used for the preliminary assessment of the fair value at the acquisition date. As such, the carrying value of the related CGU does not materially exceed its recoverable amount.

12. CREDIT FACILITIES

On June 7, 2012, the Company signed new credit facilities with a syndication of financial institutions providing for committed revolving credit facilities in the maximum amount of $400.0. The credit facilities were available (i) to finance a portion of the cash consideration payable on the closing date of the acquisition of WSP, (ii) to repay any outstanding amounts due under the existing credit agreement of GENIVAR, (iii) to refinance all or part of the existing indebtedness of WSP, (iv) to finance the transaction costs, (v) to finance future business acquisitions and (vi) for general corporate purposes, including to finance working capital and capital expenditure requirements of the Company.

Under the credit facilities, the Company may issue irrevocable letters of credit up to $40.0, decreasing the amount available on such credit facilities.

The revolving credit facilities have a four-year term and mature in June 2016. After the maturity date, the term can be extended each year for an additional one-year period, subject to the approval of the lenders.

The credit facilities are secured by a first ranking hypothec over the universality of the movable assets of the Company and some of its subsidiaries. The credit facilities bear interest at Canadian prime rate, US-based rate and LIBOR plus an applicable margin up to 2.5% that will vary depending on the type of advances and the Company's ratios, as defined in the agreement. The Company shall pay a commitment fee on the available credit facilities.

Under these credit facilities, the Company is required, among other conditions, to respect certain covenants on a consolidated basis. The main covenants are in regard to its consolidated funded debt to consolidated EBITDA and the fixed charge coverage ratios, which are non-IFRS measures. The consolidated funded debt includes bank overdraft, loan payable, notes payable and balances payable to former shareholders, including their current portions, bank advances less cash and cash equivalent. The fixed charge coverage ratio is defined as the consolidated earnings before financial expense and income taxes on the total consolidated interest expense. Management reviews compliance with these covenants on a quarterly basis in conjunction with filing requirements under its credit facilities. All covenants have been met as at December 31, 2012.

On August 31, 2012, WSP's main credit facilities of a total amount of $151.5 were repaid out of GENIVAR's existing credit facilities. Shortly after, these facilities were closed.

As at December 31, 2012, the Company has available credit facilities coming from acquisitions amounting to $8.8 ($3.1 in 2011), of which $1.4 (none in 2011) were unused at year-end.

The Company issued, in the normal course of business, irrevocable letters of credit totalling $3.6 as at December 31, 2012 ($0.1 in 2011) for its own commitments, thus decreasing such available credit facilities.

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13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2012 $	December 31, 2011 $
Trade payables	91.4	40.2
Employee benefits payable	123.1	43.3
Sale taxes	23.3	5.6
Amounts due to joint ventures and associated undertakings	0.2	-
Other payables and accrued expenses	82.2	13.1
Provisions	39.9	2.2
	360.1	104.4
Less: Non-current provisions	6.9	-
Accounts payable and accrued liabilities	353.2	104.4

The following table presents the movement in provisions for the years ended December 31, 2012, and 2011.

	Claims provisions $	Property provisions $	Total $
Balance as at January 2011	2.1	-	2.1
Additional provision	1.5	-	1.5
Paid or otherwise settled*	(1.4)	-	(1.4)
Balance as at December 31, 2011	2.2	-	2.2
Business acquisitions	21.1	12.0	33.1
Additional provision	6.5	1.2	7.7
Paid or otherwise settled*	(3.2)	(1.2)	(4.4)
Exchange differences	0.9	0.4	1.3
Balance as at December 31, 2012	27.5	12.4	39.9

* Out of this amount, the Company received a reimbursement of $1.7 ($0.8 in 2011) by its insurance company.

The property provisions relate to the rent, service charge and other associated costs relating to properties that are vacant or nearing the end of their lease term.

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14. LOAN PAYABLE

The loan bears interest at 2.85% (2.60% in 2011) and is payable in monthly instalments, capital and interest, of less than $0.1 (less than $0.1 in 2011). This loan is renewable in September of each year and is secured by a building. As at December 31, 2012, the carrying amount of that building was $5.1 ($5.4 as at December 31, 2011).

15. LONG-TERM DEBTS

	December 31, 2012 $	December 31, 2011 $
Mortgage bearing interest at 5.75%, payable in monthly instalments of less than $0.1 including principal and interest, secured by a hypothec over land and building with a net book value of $10.4, renewable in January 2015	6.7	-
Debts bearing interest at Colombia's prime rate plus a margin varying from 7.8% to 15.9%, maturing between February 2013 and June 2015	2.1	-
Other long-term debts	4.5	-
	13.3	-
Less: Current portion	4.6	-
	8.7	-

The instalments due on long-term debts over each of the next three years amount to $4.6 in 2013, $0.7 in 2014 and $8.0 in 2015.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

16. OTHER FINANCIAL LIABILITIES

	December 31, 2012 $	December 31, 2011 $
Bank overdraft	6.4	-
Notes payable*	13.6	11.4
Balances payable to former shareholders**	2.5	7.5
Obligations under finance leases	0.6	-
Other obligations	0.7	-
Promissory notes	-	3.0
	23.8	21.9
Less: Current portion	22.6	16.5
	1.2	5.4

* Notes payable to the vendors in business acquisitions bear interest at fixed rate varying from 3.0% to 4.6%, prime rate or are without interest. As at December 31, 2012, the prime rate was 3.0% (3.0% in 2011).

** Balances payable to former shareholders are payable in annual instalments or in advance at the Company's option and bear interest at prime rate.

The instalments due on financial liabilities over each of the next three years amount to $22.6 in 2013, $1.1 in 2014 and $0.1 in 2015.

17. PENSIONS SCHEMES

Pension costs included in personnel costs consist of the following:

	2012 $	2011 $
Defined benefit schemes	0.4	-
Defined contribution schemes	24.4	6.6
	24.8	6.6

The Company operated both defined contribution and defined benefit pension schemes. Defined contributions are charged to the statement of earnings as they are incurred.

In Canada, the Company has defined contribution retirement savings plans for its employees. Pursuant to these plans, the Company pays a contribution equivalent to the employee contribution up to a maximum varying from 3% to 5% of the employee's salary. An employee acquires the whole employer contributions after two years of continuous service or if he loses his job due to a layoff resulting from a lack of work.

In the United Kingdom, there are five separate defined benefit schemes, all of which are closed to new members. The assets of the schemes are held separately from those of the Company in independently administered funds. Pensionable salaries are frozen following consultation with staff.

In Sweden, a proportion of the multi-employer Government-run defined benefit plan is carried on the Company's consolidated balance sheet. Future service accrual under this arrangement ceased in 2008 where the employees became fully included in the Government plan's arrangements. The multi-employer Government plan retains substantial other assets to meet the balance of pension liabilities. As the directors are unable to identify the underlying assets and liabilities of this element of the scheme, it is treated as a defined contribution scheme for the purposes of IAS 19 "Employee Benefits."

For funded and unfunded defined benefit plans, any deficit of the fair value of plan assets over the present value of the defined benefit obligation is recognized as a liability in the balance sheet. Actuarial gains and losses are recognized in full as they arise in the statement of comprehensive income. These reflect changes in actuarial assumptions, and differences between actuarial assumptions and what has actually occurred.

The actuarial cost charged to the statement of earnings in respect of defined benefit plans consists of current service costs, finance expense, expected return on plan assets, past service costs and costs of curtailments.

The liabilities of the Company arising from defined benefit obligations and their related current service cost are determined using the projected unit credit method. Valuations are performed annually. Actuarial advice is provided both by external consultants and actuaries. The actuarial assumptions used to calculate the benefit obligations vary according to the economic conditions of the country in which the plan is located and are set out below. To develop the expected long-term rate of return on assets assumption, the Company considered the current level of expected returns on risk-free investments (primarily UK government bonds) and the historical level of risk premium associated with the other asset classes in which the portfolio is invested. The expected return for each asset class was then applied to the schemes' asset allocations to develop the overall expected long-term rate of return on assets for the combined portfolios.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

ASSUMPTIONS

	December 31, 2012
United Kingdom	
Rate of increase in pensionable salaries	-
Rate of increase in pensions in payment	3.1%
Discount rate	4.3%
Inflation assumption	2.4%-3.2%
Expected return on plan assets	4.5%
Life expectancy at age 65 (for member currently aged 65)	
- Men	87.6
- Women	90.0
Life expectancy at age 65 (for member currently aged 50)	
- Men	89.1
- Women	91.4
Sweden	
Rate of increase in pensionable salaries	-
Rate of increase in pensions in payment	-
Discount rate	3.5%
Inflation assumption	2.0%
Expected return on plan assets	N/A
Life expectancy at age 65 (for member currently aged 65)	
- Men	88.0
- Women	90.0
Life expectancy at age 65 (for member currently aged 50)	
- Men	87.0
- Women	89.0

The major categories of plan assets as a percentage of total plan assets are as follows:

	December31, 2012
Equities	34%
Bonds	61%
Others	5%

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

	December 31, 2012 $
Fair value of plan assets	110.4
Present value of funded obligations (United Kingdom)	(178.7)
	(68.3)
Present value of unfunded obligations (Sweden)	(37.1)
Pension liability	(105.4)

Amounts recognized in the statement of earnings are as follows:

	2012 $
Current service costs	0.4
Employee benefit costs	0.4

	2012 $
Finance expenses	3.7
Expected return on plan assets	(2.2)
Net finance expenses on pension obligations	1.5

Changes in the present value of the defined benefit obligation are as follows:

	2012 $
Present value of obligation as at August 1, 2012 (note 4a))	209.3
Service cost	0.4
Contributions from scheme members	0.1
Benefits paid	(3.4)
Finance expenses	3.7
Actuarial gain	(2.9)
Foreign exchange differences	8.6
Present value of obligation as at December 31, 2012	215.8

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

Changes in the fair value of plan assets are as follows:

	$
Fair value of plan assets as at August 1, 2012 (note 4a))	102.8
Expected return on plan assets	2.2
Contributions from scheme members	0.1
Contributions from employer	3.8
Benefits paid	(3.2)
Actuarial gain	0.6
Foreign exchange differences	4.1
Fair value of plan assets as at December 31, 2012	110.4

Analysis of the movement in net deficit

	$
As at August 1, 2012 (note 4a))	106.5
Employee benefit costs	0.4
Net finance expenses	1.5
Benefits paid	(0.2)
Contributions from employer	(3.8)
Net actuarial gain recognized in the period	(3.5)
Foreign exchange movements	4.5
As at December 31, 2012	105.4

Cumulative actuarial gains recognized in equity are as follows:

	2012 **$**
Balance – Beginning of year	-
Net actuarial gain recognized in the year	3.5
Balance – End of year	3.5

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

History of experienced gains and losses

	2012 $
Experience adjustments arising on scheme assets:	
Amount – gain (loss)	0.6
Percentage of scheme assets	1%
Experience adjustments arising on scheme liabilities:	
Amount – gain (loss)	0.3
Percentage of scheme liabilities	-
Changes in the assumptions underlying the value of scheme liabilities:	
Amount – gain (loss)	2.5
Percentage of scheme liabilities	1%
Present value of scheme assets	110.4
Fair value of scheme liabilities	(215.8)
Deficit	105.4

Sensitivity analysis of the overall pension deficit to changes in principal assumptions is shown below:

Assumption	Change	Impact on deficit
Discount rate	+/- 0.1%	Decrease/increase $2.8
Inflation rate	+/- 0.1%	Decrease/increase $1.5
Mortality	+/- 1 year	Decrease/increase $5.6

The combined employee and employer contributions expected to be paid during the financial year ending December 31, 2013, amount to $6.9.

18. SHARE CAPITAL

AUTHORIZED

An unlimited number of common shares without par value, voting and participating.

An unlimited number of preferred shares without par value, participating, issuable in series.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

ISSUED AND PAID

	Common shares	
	Number	$
Balance as at January 1, 2011	-	-
Fund units exchanged for common shares pursuant to the plan of arrangement (note 1)	18,103,589	275.8
Changes in tax status (note 22)	-	(0.7)
Common shares issued for the acquisition of the non-controlling interest (note 4c))	7,908,294	229.7
Adjustment to equity (note 4c))	-	(179.2)
Shares issued in business acquisitions (note 4d))	92,912	2.0
Shares issued*	33,121	0.9
Shares issued related to an equity private placement**	6,500,000	155.8
Balance as at December 31, 2011	32,637,916	484.3
Shares issued in a business acquisition (note 4b))	74,707	1.8
Shares issued***	150,651	4.1
Shares issued related to an equity private placement and a bought-deal****	17,585,610	399.9
Shares issued under the DRIP*****	607,557	13.2
Balance as at December 31, 2012	51,056,441	903.3

* During the year ended December 31, 2011, the Company issued a total of 33,121 shares for proceeds of $0.9 less issuance-related costs.

** On December 21, 2011, the Company completed an equity private placement with two Canadian institutional investors. The Company issued 6,500,000 common shares at a price of $24.57 per share for aggregate gross proceeds of $159.7. Issuance-related costs of $5.3 and deferred income tax assets of $1.4 are both accounted against the gross proceeds.

*** The Company issued a total of 150,651 common shares for proceeds of $4.1, net of issuance-related costs.

**** In connection with the acquisition of WSP, the Company entered into an agreement with a syndicate of underwriters to sell 9,375,000 subscription receipts from treasury. Each subscription receipt represented the holder's right to receive, without payment of additional consideration, one common share of the issuer. The Company had completed its offering on June 27, 2012, at an individual price of $24.00 for gross proceeds of $225.0. Following the conclusion of the acquisition on August 1, 2012, each subscription receipt was automatically exchanged for one common share of the Company.

On June 27, 2012, GENIVAR also entered into subscription agreements whereby the Canada Pension Plan Investment Board ("CPPIB") and the Caisse de dépôt et placement du Québec (the "Caisse") purchased, on a private placement basis, 8,210,610 subscription receipts. On August 1, 2012, the Company issued 8,210,610 common shares in exchange of the concurrent placement subscription receipts for gross proceeds of $197.1. Total issuance-related costs of these transactions of $18.3 less deferred income tax assets of $2.7 are accounted for against the gross proceeds.

The holders of the subscription receipts and the placement subscription receipts were also entitled to receive an equivalent of the dividend declared on May 9, 2012. At the conclusion of the acquisition, they received a dividend equivalent payment of $6.6, of which $3.1 was reinvested in 144,393 common shares of the Company under the dividend reinvestment plan (DRIP). The dividend equivalent payment is presented against the net proceed.

***** Under the DRIP (note 23), 463,164 new common shares were issued following the payment of the dividend declared on May 9, 2012, and on August 8, 2012, for a total of 607,557 common shares including the shares issued after the payment of the dividend equivalent payment.

As at December 31, 2012, and 2011, no preferred shares were issued.

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19. NON-CONTROLLING INTERESTS

	$
Balance as at January 1, 2011	88.2
Acquisition of the non-controlling interest by the Company (note 4c))	(88.2)
Investment by a non-controlling interest in GENIVAR France	0.1
Balance as at December 31, 2011	0.1
Addition through business acquisition (note 4a))	2.1
Share of comprehensive income for the year	(0.2)
Balance as at December 31, 2012	2.0

On January 1, 2011, the Company completed a plan of arrangement providing for the reorganization of the Fund's income trust structure into a corporation (note 1). Following the reorganization, the Company acquired the non-controlling interest of the Fund. The shares of Old GENIVAR were exchanged for common shares of the Company. The Company became the owner of Old GENIVAR after the completion of the plan of arrangement resulting in the elimination of the non controlling interest in the statement of financial position.

20. CAPITAL MANAGEMENT

The Company's primary objectives when managing capital structure are as follow:

- maintain financial flexibility in order to meet financial obligations, to provide dividend, to execute growth plan and to continue the growth through business acquisitions;
- manage the Company's activities in a responsible way in order to provide an adequate return for its shareholders; and
- comply with financial covenants required under the credit facilities.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

For capital management, the Company has defined its capital as the combination of loan payable, long-term debts, bank advances, non controlling interests and shareholders' equity, net of cash, cash equivalents and bank overdraft. The non recourse debts are excluded.

	2012 $	2011 $
Long-term debts	13.3	-
Loan payable	5.0	5.4
Bank advances	212.7	50.0
Shareholders' equity	917.1	501.3
Non-controlling interest	2.0	0.1
	1,145.9	556.8
Less: Cash and cash equivalents less bank overdraft	(121.3)	(144.0)
	1,024.6	412.8

The Company's financing strategy is defined to maintain a flexible structure consistent with the objectives stated above, to respond adequately to changes in economic conditions and to allow growth through business acquisitions. The Company monitors its capital structure using the consolidated funded debt to consolidated EBITDA ratio. This ratio is used to determine what would be the maximum debt level.

In order to maintain and adjust its capital structure, the Company may issue new shares in the market, contract bank advances and negotiate new credit facilities. In August 2012, the Company issued 17,585,610 shares through an equity private placement and a bought-deal. The net proceed was used to finance the consideration and the related expenses for the WSP acquisition. In December 2011, the Company issued new common shares in an equity private placement. The gross proceed was used to reimburse its bank advances at their maturity and to maintain its growth strategy by business acquisitions.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

21. NET FINANCE EXPENSES

	2012 $	2011 $
Interest on bank advances	3.2	1.8
Interest on notes payable and on balances payable to former shareholders	1.1	0.8
Net finance expenses on pension obligations	1.5	-
Exchange loss on liabilities in foreign currencies	0.5	-
Other interest and bank charges	3.1	1.8
Interest income	(1.0)	(0.1)
	8.4	4.3

22. INCOME TAXES

The components of income tax expenses (recovery) for 2012 and 2011 were as follows:

	2012 $	2011 $
Current tax		
Current tax on earnings for the year	19.4	20.5
Adjustments in respect of prior years	(2.3)	-
Total current tax	17.1	20.5
Deferred tax		
Origination and reversal of temporary differences	(4.9)	(3.4)
Impact of change in tax status	-	(7.2)
Impact of change in tax rates	(3.9)	-
Adjustments in respect of prior years	2.4	-
Total deferred tax	(6.4)	(10.6)
Total income tax expenses	10.7	9.9

Deferred income tax assets related to the issuance-related costs of an equity private placement and a bought-deal in August 2012 amounting to $2.7 and of the equity private placement in December 2011 amounting to $1.4 were recognized in equity.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

Following the change in the tax status of the Company on January 1, 2011, the deferred income tax assets and liabilities have been recalculated. The adjustments were included in the statement of earnings for the year 2011, except for the adjustments related to transactions that were previously accounted for in equity. As a result, equity decreased by $0.7 in 2011 and a deferred income tax recovery of $7.2 was recognized in the consolidated statement of earnings in 2011. An adjustment related to the acquisition of the non-controlling interest (note 4c)) of $4.3 was also recognized in the equity.

The reconciliation of the difference between the income tax expenses using the domestic statutory tax rate and the effective tax rate is as follows:

		2012		2011
	$	%	$	%
Earnings before income tax expenses	57.0	100.0	60.0	100.0
Combined Canadian federal and provincial statutory tax rate	26.62%		28.07%	
Income taxes based on statutory income tax rates	15.2	26.6	16.8	28.0
Non-deductible expenses	3.1	5.4	1.0	1.7
Foreign tax rate differences	(3.2)	(5.6)	0.1	0.2
Effect of change in tax rates	(3.9)	(6.8)	(0.6)	(1.0)
Adjustment in respect of prior years	0.1	0.2	-	-
Change in tax status	-	-	(7.2)	(12.0)
Adjustment for associates' tax	(0.7)	(1.2)	-	-
Other	0.1	0.2	(0.2)	(0.4)
	10.7	18.8	9.9	16.5

In December 2012, the Swedish corporate tax rate decrease by 4.3% generating a deferred income tax recovery of $3.5 mainly resulting from the decrease of the deferred income tax liability. Some of the company's foreign subsidiaries are subjected to corporate tax rates that differed from the Company statutory tax rate. The global impact of these differences has generated a lower tax expense by $3.2. Moreover, the effective tax rate was impacted by non-deductible fees of $10.5 related to the WSP acquisition.

The 2011 effective tax rate was impacted by the change in the tax status which created a deferred income tax recovery of $7.2.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

As at December 31, 2012, and 2011, the significant components of deferred income tax assets and liabilities were as follows:

							2012
	As at January 1 $	Credited (charged) to statement of earnings $	Credited (charged) to other comprehensive income $	Charged directly to equity $	Business acquisitions $	Exchange differences $	As at Dec. 31 $
Deferred income tax assets							
Deductible provisions upon settlement	0.5	0.5	-	-	-	-	1.0
Non-capital losses	0.6	4.9	-	-	2.8	0.1	8.4
Deferred issuance-related costs	1.9	(1.0)	-	2.7	-	-	3.6
Property, plant and equipment	-	0.5	-	-	4.7	0.2	5.4
Benefit obligations	-	(0.2)	(1.5)	-	15.1	0.6	14.0
Other temporary differences	-	(3.9)	0,5	-	17.3	0.8	14.7
	3.0	0.8	(1.0)	2.7	39.9	1.7	47.1
Deferred income tax liabilities							
Costs and anticipated profits in excess of billings	(7.3)	-	-	-	(26.0)	(1.4)	(34.7)
Holdbacks	(0.7)	0.1	-	-	-	-	(0.6)
Property, plant and equipment, intangible assets and goodwill	(6.2)	5.5	-	-	(19,0)	0.1	(19.6)
	(14.2)	5.6	-	-	(45.0)	(1.3)	(54.9)
Total	(11.2)	6.4	(1.0)	2.7	(5.1)	0.4	(7.8)

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

					2011
	As at January 1 $	Credited (charged) to statement of earnings $	Credited (charged) directly to equity $	Business acquisitions $	As at December 31 $
Deferred income tax assets					
Deductible provisions upon settlement	0.6	(0.2)	0.1	-	0.5
Non-capital losses	-	0.6	-	-	0.6
Deferred issuance-related costs	1.8	(1.2)	1.3	-	1.9
	2.4	(0.8)	1.4	-	3.0
Deferred income tax liabilities					
Costs and anticipated profits in excess of billings	(10.1)	5.9	(3.0)	(0.1)	(7.3)
Holdbacks	(1.1)	0.7	(0.3)	-	(0.7)
Property, plant and equipment, intangible assets and goodwill	(7.7)	4.8	(1.8)	(1.5)	(6.2)
	(18.9)	11.4	(5.1)	(1.6)	(14.2)
Total	(16.5)	10.6	(3.7)	(1.6)	(11.2)

	December 31, 2012 $	December 31, 2011 $
Deferred income tax assets		
To be recovered after more than 12 months	30.0	1.7
To be recovered within 12 months	17.1	1.3
	47.1	3.0
Deferred income tax liabilities		
To be paid after more than 12 months	(13.9)	(4.5)
To be paid within 12 months	(41.0)	(9.7)
	(54.9)	(14.2)
Deferred income tax liabilities (net)	(7.8)	(11.2)

Certain subsidiaries of the Company incurred net operating losses of $15.0 and have a deductible temporary difference of $4.5, for which no deferred tax assets were recognized.

A deferred liability relating to taxable temporary differences amounting to $27.6 as at December 31, 2012, and to $4.4 as at December 31, 2011, has not been recognized for taxes relating to investments in foreign subsidiaries as the Company does not expect these temporary differences to reverse in the foreseeable future. Upon distribution of these earnings in the form of dividends or otherwise, the Company may be subject to corporation or withholding taxes.

23. DIVIDENDS

The Company aims to declare and pay cash dividends on a quarterly basis to shareholders. The total amount of dividends declared by the Company for the year ended December 31, 2012, was $62.8 or $1.50 per share ($41.6 or $1.50 per share in 2011).

DIVIDEND REINVESTMENT PLAN (DRIP)

Concurrently with the announcement of the WSP acquisition, the Company has adopted a DRIP.

Under the DRIP, the holders of common shares may elect to have cash dividends reinvested into additional common shares. The shares to be delivered can be purchased on the open market or issued from treasury at the discretion of Management. The shares issued from treasury will be issued at a discount of up to 5% of the applicable average market price.

CPPIB and the Caisse have undertaken to have substantially all of their common shares participate in the DRIP for all dividends with a record date on or before July 1, 2013.

Following the payment of the dividends declared on May 9, 2012, and on August 8, 2012, $13.2 was reinvested in 607,557 common shares under the DRIP.

On November 6, 2012, the Company declared a dividend of $0.375 per share payable on January 15, 2013, of which $7.1 was reinvested in 361,888 additional shares under the DRIP.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

24. STATEMENTS OF CASH FLOWS

A) ADJUSTMENTS

	2012 $	2011 $
Depreciation and amortization	40.8	25.3
Share of earnings of associates	(1.9)	-
Defined benefit pension scheme expense	0.4	-
Cash contribution to defined benefit pension schemes	(4.0)	-
Foreign exchange and non-cash movements	(0.4)	-
Others	3.9	-
	38.8	25.3

B) CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	2012 $	2011 $
Decrease (increase) in:		
Trade, prepaid and other receivables	(7.8)	8.0
Costs and anticipated profits in excess of billings	0.8	(2.8)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(9.4)	4.0
Billings in excess of costs and anticipated profits	20.0	(4.6)
	3.6	4.6

25. RELATED PARTY TRANSACTIONS

In 2011, as part of the Plan of Arrangement, key management and employees that were shareholders of Old GENIVAR received common shares of GENIVAR in exchange of their shares. As at December 31, 2011, the promissory notes of $3,0, assumed in this transaction, were payable to current shareholders of the Company.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

A) CONTROLLED ENTITIES

	Country of incorporation	Interest	
		2012	2011
Principal subsidiaries			
7247923 Canada Inc.	Canada	100%	100%
AdeB Consultants Ltd. (AdeB)	Trinidad & Tobago	100%	100%
CRA Servicios S.A.S.	Colombia	100%	-
Design Collaborative & Associates Ltd. (DCAL)	Trinidad & Tobago	100%	100%
GENIVAR Construction Nord Inc.	Canada	100%	100%
GENIVAR France	France	70%	70%
GENIVAR Trinidad & Tobago (GENIVAR TT)	Trinidad & Tobago	100%	100%
GENIVAR Wind USA Inc.	USA	100%	100%
Giroux équipement d'arpentage Inc.	Canada	100%	100%
Groupe Giroux Inc.*	Canada	49%	49%
Groupe Giroux arpenteurs-géomètres Inc.*	Canada	49%	49%
Magnate Communication Corp.	Canada	100%	100%
Smith Carter (USA) LLC	USA	100%	-
WSP Group Limited	England	100%	-
WSP UK Limited	England	100%	-
WSP CEL Limited	England	100%	-
WSP Environmental Limited	England	100%	-
WSP Remediation Limited	England	100%	-
WSP Management Services Limited	England	100%	-
WSP Sverige AB	Sweden	100%	-
WSP Finland Limited	Finland	100%	-
WSP USA Corp.	USA	100%	-
WSP Group Africa (Pty) Limited	South Africa	74%	-
WSP Middle East Limited	Jersey	100%	-
WSP Hong Kong Limited	Hong Kong	100%	-
Shanghai WSP Consulting Limited	China	100%	-
WSP Environmental Australia Pty Limited	Australia	100%	-
WSP Consultants India Limited	India	100%	-
WSP Deutschland AG	Germany	100%	-
WSP Buildings Pty	Australia	100%	-
Special purpose entities			
AE Consultants Ltd.	Canada	-	-
Arcop Design Inc.	Canada	-	-
Le Groupe Arcop S.E.N.C.	Canada	-	-
North 46 Architecture Inc.	Canada	-	-
PBK Architects Inc.	Canada	-	-
Smith Carter Architects and Engineers Incorporated	Canada	-	-
WHW Architects Incorporated	Canada	-	-
Arcop Inc.	Canada	-	-

* These subsidiaries are consolidated since an agreement provides the Company with the power to govern the financial policies of those entities, so as to obtain benefits from their activities.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

B) KEY MANAGEMENT COMPENSATION

Key management includes the members of the Board, the President and Chief Executive Officer, the Chief Financial Officer and the members of the Executive team. The compensation paid or payable to key management is shown below:

	2012 $	2011 $
Short-term employee benefits	6.2	5.3
Post-employment benefits	0.3	0.1
	6.5	5.4

26. FINANCIAL INSTRUMENTS

FAIR VALUE

Cash and cash equivalents, trade and other receivables, costs and anticipated profits in excess of billings, accounts payable and accrued liabilities, dividends, promissory notes, bank overdrafts, loan payable, notes payable, balances payable to former shareholders, provisions, long-term debts, obligations under finance leases and bank advances are financial instruments whose fair values approximate their carrying values due to their short-term maturity, variable interest rates or current market rates for instruments with fixed rates.

The fair value hierarchy under which the Company's financial instruments are valued is as follows:

- Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 includes inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly or indirectly;
- Level 3 includes inputs for the assets or liability that are not based on observable market data.

As at December 31, 2012, and 2011, the fair value of the investments available for sale is valued under Level 1. These are the only assets measured at fair value.

FINANCIAL RISK MANAGEMENT

The Company is exposed to credit risk, foreign exchange risk, interest rate risk and liquidity risk. The following analyses provide a measurement of those risks as at December 31, 2012, and 2011.

CREDIT RISK

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Financial instruments which potentially subject the Company to significant credit risk consist principally of cash and cash equivalents, accounts receivable, and costs and anticipated profits in excess of billings. The Company's maximum amount of credit risk exposure is limited to the carrying amount of these financial instruments, which is $761.0 as at December 31, 2012, and $401.6 as at December 31, 2011.

The Company's cash and cash equivalents are held with or issued by financial institutions. Therefore, the Company considers the risk of non-performance on these instruments to be minimal.

The Company's credit risk is principally attributable to its trade receivables. The amounts presented in the balance sheet are net of an allowance for doubtful accounts, estimated by the Company's Management and based, in part, on the age of the specific receivable balance and the current and expected collection trends. Generally, the Company does not require collateral or other security from customers for trade accounts receivable; however, credit is extended following an evaluation of creditworthiness. In addition, the Company performs ongoing credit reviews of all its customers and establishes an allowance for doubtful accounts when the likelihood of collecting the account has significantly diminished. The Company believes that the credit risk of accounts receivable is limited. During the year ended December 31, 2012, and 2011, bad debts accounted for were not significant.

The Company mitigates its credit risk by providing services to diverse clients in various industries and sectors of the economy.

SPECIFIC CREDIT RISK

As at December 31, 2012, the Company still had accounts receivable from a government agency of Trinidad and Tobago, the "Agency," which have remained unpaid for over 36 months.

In 2011, the following events occurred in relation to the accounts receivable owed by this Agency. The payments were first delayed by a change of government control and secondly, following the removal of the Agency's board of directors. On January 26, 2011, a new board of directors was appointed. Furthermore, a new CEO and a new CFO were hired mid-year and are currently working, under the supervision of the board, to resolve the payments due to the Company and to other service providers.

In June 2012, the Company filed two debt collection claims totaling $19.4 for accounts receivable and interest. The first claim being for accounts receivable of $3.5 pertaining to a specific project and the second claim for several accounts receivable on a number of projects totaling $15.9, including interest. Regarding the first claim, the Agency was ordered in January 2013, by judgment from Court, to pay the Company the entire amount due. The delay to appeal has now lapsed and the judgment may be executed as of March 1, 2013.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

In regards to the second claim, the Company received $3.2 of cash for projects included in the bulk claim during the year 2012. Discussions are ongoing between the Company and the Agency to enter into an out of court settlement for this claim, while the Agency is still attempting to push the matter into arbitration.

The gross contractual amount associated with those receivables was $13.5 as at December 31, 2012 ($16.3 in 2011). The carrying value amounted to $12.1, net of an allowance of $1.4 ($13.3, net of an allowance of $3.0 in 2011). Therefore, Management believes that the maximum exposure to financial loss in relation to this client is $8.3 ($10.0 in 2011), taking into account the favorable judgment of the court for an amount of $3.5. Management will pursue the litigation while still attempting every necessary action to collect the accounts receivable within the next year.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company operates internationally and is exposed to currency risks arising from its operating activities denominated in Sterling, Swedish krona, US dollars, Euros and TT dollars and to its net asset in foreign operations. These risks are partially offset by purchases and operating expenses incurred in these currencies.

The Company has investments in foreign operations, whose net assets are exposed to foreign currency risk. This risk is partly offset through borrowings denominated in the relevant foreign currency. The exchange gains or losses on the net equity investment of these operations are reflected in the accumulated other comprehensive income (loss) account in shareholders' equity, as part of the currency translation adjustment.

Taking into account the amounts denominated in foreign currencies and presuming that all of the other variables remain unchanged, a fluctuation in exchange rates would have an impact on the Company's net earnings. Management believes that a 10% change (10% in 2011) in exchange rates could be reasonably possible.

The table below summarizes the impacts of a 10% weakening or strengthening in the exchange rates on the net earnings:

	2012 $	2011 $
Sterling	8.4	-
US dollar	1.3	(0.7)
Euro	(0.3)	(0.1)
Others	(0.2)	(1.1)

INTEREST RATE RISK

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its bank advances, notes payable, certain long-term debts and the balances payable to former shareholders with floating interest rates. This risk is partially offset by cash held at variable rates.

A fluctuation in interest rates would have an impact on the Company's net earnings. Management believes that a 0.5% change in interest rate could be possible and that the impact on net earnings, with all other variables held constant, would be approximately $0.4 ($0.3 in 2011).

LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulties in meeting its obligations as they fall due.

A centralized treasury function ensures that the Company maintains funding flexibility by assessing future cash flow expectations and by maintaining sufficient headroom on its committed borrowing facilities. Borrowing limits, cash restrictions and compliance with debt covenants are also taken into account.

The Company watches for liquidity risks arising from financial instruments on an ongoing basis. Management monitors the liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times. GENIVAR has access to committed lines of credit with banks (note 12).

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

The tables below present the contractual maturities of financial liabilities as at December 31, 2012, and 2011. The amounts disclosed are contractual undiscounted cash flows.

					2012
	Carrying amount $	Contractual cash flows $	Less than a year $	Between 1 and 2 years $	More than 2 years $
Accounts payable and accrued liabilities, including non-current portion provisions	360.1	360.2	353.2	0.7	6.3
Dividends payable to shareholders	19.1	19.1	19.1	-	-
Loan payable	5.0	5.1	5.1	-	-
Long-term debts, including current portion	13.3	14.6	5.3	1.3	8.0
Financial liabilities, including current portion	23.8	24.2	22.9	1.2	0.1
Bank advances	212.7	227.8	4.4	4.4	219.0
	634.0	651.0	410.0	7.6	233.4

					2011
	Carrying amount $	Contractual cash flows $	Less than a year $	Between 1 and 2 years $	More than 2 years $
Accounts payable and accrued liabilities	104.4	104.4	104.4	-	-
Dividends payable to shareholders	12.2	12.2	12.2	-	-
Loan payable	5.4	5.5	5.5	-	-
Financial liabilities, including current portion	21.9	23.3	17.2	6.1	-
Bank advances	50.0	50.0	50.0	-	-
	193.9	195.4	189.3	6.1	-

As at December 31, 2012, the Company had unused credit facilities of $185.1 ($175.0 in 2011), net of outstanding letters of credit of $3.6 ($0.1 in 2011), and cash and cash equivalents less bank overdraft of $121.3 ($144.0 in 2011).

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

27. COMMITMENTS AND CONTINGENCIES

LEASES

The Company leases various office premises and equipment under non-cancellable operating lease agreements. The lease terms vary from six months to ten years, and the majority of lease agreements are renewable at the end of the lease period for an additional period varying from 30 months to 10 years at market rate.

The lease expenditure included in the statement of earnings amounts to $44.2 for the year ended December 31, 2012 ($20.8 for the year ended December 31, 2011).

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2012 $	2011 $
No later than 1 year	77.6	21.1
Later than 1 year and no later than 5 years	196.9	53.0
Later than 5 years	103.1	22.5
	377.6	96.6

CONTINGENCIES

The Company is currently facing legal proceedings for work carried out in the normal course of its business. The Company takes out a professional liability insurance policy in order to manage the risks related to such proceedings. Based on advice and information provided by its legal advisors and on its experience in the settlement of similar proceedings, Management believes that the Company has accounted for sufficient provisions in that regard and that the final settlement should not exceed the insurance coverage significantly or should not have a material effect on the financial position or operating results of the Company.

As a government contractor, the Company may be subject to laws and regulations that are more restrictive than those applicable to non-government contractors. Government scrutiny of contractors' compliance with those laws and regulations through audits and investigations is inherent in government contracting, and, from time to time, Management receives inquiries and similar demands related to our ongoing business with government entities. In November 2012, the Unité Permanente Anti-Corruption executed search warrants in the Company's offices located in the City of Laval in the province of Quebec in relation to certain contracts awarded in the City of Laval. On February 11, 2013, the Company announced that it was in possession of information confirming that inappropriate conduct in the province of Quebec in the financing of political parties and the awarding of municipal contracts had occurred in the past. On or about February 28, 2013, the Competition Bureau executed search warrants at the Company's offices located in Gatineau and Quebec City. On March 12, 2013, no charges have been brought against the Company in respect of any of these facts nor has the Company received any claims for fines, penalties or other monetary compensation. The Company cannot predict at this time the final outcome or potential losses, if any, with respect to any investigation by government authorities in respect of these facts, including the possibility that their scope may be broadened which could have a material adverse impact on its future results of operations.

28. SEGMENT INFORMATION

(A) MAJOR CUSTOMERS

As at December 31, 2012, and 2011, no individual customer represented more than 10% of the Company's consolidated revenues.

(B) SEGMENTED INFORMATION

In prior years, Management organized and analyzed the Company's financial information by geographic area for all types of services, except for architectural services, which were analyzed separately.

Following the acquisition of WSP, the internal reporting structure is under review. As a preliminary assessment, the Company will manage through five reportable operating segments, which are the following: Canada, United States, United Kingdom, Northern Europe and Rest of the World. Management may modify this structure once the integration has been completed.

The Executive Committee assesses the performance of the operating segments based on revenues, net revenues and adjusted EBITDA. Adjusted EBITDA excludes unusual items identified by Management as non-recurring costs, like restructuration and integration expenses, and also excludes global corporate costs. Global corporate costs are expenses and salaries related to centralized functions, like global finance, human resources and technology teams, which are not allocated to segments. This measure also excludes the effects of financial expenses, amortization, depreciation and income taxes.

Sales between segments are carried out at arm's length. The revenues reported to the Executive Team are measured in a similar manner as in the statements of earnings and exclude intercompany sales.

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

The table below presents the Company's operations based on the new reportable operating segments. The comparative information was revised to conform to the actual structure.

						2012
	Canada	United States	United Kingdom	Northern Europe	Rest of the World	Total
Revenues	710.8	74.5	139.1	222.0	111.1	1,257.5
Less: Subconsultants and direct costs	133.6	10.6	31.4	34.0	27.8	237.4
Net revenues	577.2	63.9	107.7	188.0	83.3	1,020.1
Adjusted EBITDA	89.1	7.5	11.7	29.1	3.3	140.7
Global corporate costs						(15.3)
Unusual items						(16.8)
Financial expenses						(9.4)
Depreciation and amortization						(40.8)
Share of taxation and amortization of associates						(1.4)
Earnings before income tax						57.0

Under the new reportable segments, the 2011 results are gathered in one segment.

	2011
	Canada
Revenues	651.9
Less: Subconsultants and direct costs	122.9
Net revenues	529.0
Adjusted EBITDA	98.9
Global corporate costs	(9.3)
Financial expenses	(4.3)
Depreciation and amortization	(25.3)
Earnings before income tax	60.0

For the years ended December 31, 2012, and 2011 (in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

(C) GEOGRAPHIC INFORMATION

The following revenues have been allocated to geographic regions based on the country of operation of the Company.

	2012 $	2011 $
Canada	710.8	623.8
Sweden	182.4	-
United Kingdom	136.7	-
United States	77.2	-
South Africa	39.9	-
Germany	21.4	-
Others	89.1	28.1
	1,257.5	651.9

The property, plant and equipment and intangible assets are allocated in the following countries:

	December 31, 2012 $	December 31, 2011 $
Canada	116.5	115.3
Sweden	45.2	-
United States	26.7	-
United Kingdom	33.1	-
Australia	12.5	-
Others	11.2	-
	245.2	115.3

BOARD OF DIRECTORS

Christopher Cole
Director since 2012
Non-independent
—
Executive Chairman of the Board of Directors

Richard Bélanger
President, Groupe Toryvel Inc.
Director since 2007
Independent
—
Lead Independent Director
Member of the Audit Committee

Grant McCullagh
Chairman and Chief Executive Officer,
Global Integrated Business Solutions, LLC
Director since 2011
Independent
—
Member of the Governance and Compensation Committee

Pierre Seccareccia
Corporate Director
Director since 2006
Independent
—
Chairman of the Audit Committee

Pierre Shoiry
President and Chief Executive Officer, GENIVAR Inc.
Director since 2006
Non-independent

Pierre Simard
President, Champlain Financial Corporation (Canada) Inc.
Director since 2007
Independent
—
Member of the Audit Committee
Member of the Governance and Compensation Committee

Lawrence E. Smith, Q.C.
Partner, Bennett Jones LLP
Director since 2006
Independent
—
Chairman of the Governance and Compensation Committee

EXECUTIVE MANAGEMENT TEAM

Pierre Shoiry
President and Chief Executive Officer

Alexandre L'Heureux
Chief Financial Officer

Marc Rivard
Chief Operating Officer, Canada and Caribbean

Rikard Appelgren
Managing Director, Europe

Paul Dollin
Managing Director, UK, Middle East,
South Africa and India

CORPORATE INFORMATION

GENIVAR Inc.
1600 René-Lévesque Blvd. West
16th floor
Montreal, Quebec
Canada H3H 1P9

514-340-0046

STOCK EXCHANGE LISTING

Toronto Stock Exchange (TSX) under the symbol GNV.

COMMON SHARES OUTSTANDING

At March 15, 2013, there were 51,418,329 common shares outstanding.

DIVIDEND POLICY

The Company declared, for the years 2012 and 2011, dividends of $1.50 per share. The Board of Directors (the "Board") has determined that the current level of quarterly dividend is appropriate based on the Company's current earnings and financial requirements for the Company's operations. The dividend is currently expected to remain at this level subject to the Board's ongoing assessment of the Company's future requirements, financial performance, liquidity, outlook and other factors that the Board may deem relevant. The payment of each quarterly dividend will remain subject to declaration of that dividend by the Board.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP, Chartered Accountants

INVESTOR RELATIONS

ANNUAL MEETING OF SHAREHOLDERS

The annual general meeting will be held at 10:00 am, Eastern Time, on May 23, 2013 at:

McCord Museum
690 Sherbrooke St. West
Montreal, Quebec
Canada H3A 1E9

E-DELIVERY OF SHAREHOLDER DOCUMENTS

We invite you to sign up for electronic delivery of information. The benefits of e-delivery include access to important Company documents in a convenient, timely and environmentally friendly way that also reduces printing and mailing costs.

REGISTERED SHAREHOLDERS

Registered shareholders may access Company documents at www.genivar.com or by registering online at www.canstockta.com.

If you DO NOT want to receive an annual report or quarterly reports you may do one of the following:

- Telephone 1-800-387-0825
- Visit CST's website at www.canstockta.com, download and complete the e-delivery form and mail to CST.

BENEFICIAL SHAREHOLDERS

For shareholders who hold their shares with an investment dealer or financial institution, access www.investordelivery.com or contact your investment advisor to enrol for the convenient electronic delivery service.

IF YOU NEED HELP WITH THE FOLLOWING...

- Additional financial or statistical information
- Industry and Company developments
- Latest news releases and investor presentations

Contact Investor Relations

Isabelle Adjahi
Director, Communications
and Investor Relations
GENIVAR Inc.

514-340-0046, #5648
isabelle.adjahi@genivar.com

IF YOU NEED HELP WITH THE FOLLOWING...

- Dividend Reinvestment Plan
- Change of address and e-delivery of shareholder documents
- Dividend payments or direct deposit of dividends
- Transfer or loss of share certificates and estate settlements

Contact the transfer agent and registrar *

Canadian Stock Transfer Company Inc.
2001 University St.
Suite 1600
Montreal, Quebec
Canada H3A 2A6

1-800-387-0825
www.canstockta.com

FILINGS

The Company files all mandatory information with Canadian securities commissions. This information is available on SEDAR's website at www.sedar.com or on the Company's website at www.genivar.com.

CERTIFICATIONS

The certifications by the Company's Chief Executive Officer and Chief Financial Officer concerning the quality of the Company's public disclosure pursuant to Canadian regulatory requirements are filed in Canada on SEDAR at www.sedar.com.

* Administrative agent for CIBC Mellon Trust Company

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are set out in the Company's Management Proxy Circular, which is filed with Canadian securities authorities and is available on SEDAR and on the Company's website at www.genivar.com.

ETHICS LINE

As part of our ethics policy, this hotline allows team members and others to anonymously and confidentially raise accounting, internal controls and ethical inquiries or complaints.

1-866-512-8555
internalconfidentialdisclosure@genivar.com

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This annual report is also available for download at www.genivar.com.

Pour obtenir une version française du rapport annuel, veuillez communiquer avec le service des relations avec les investisseurs.

This Annual Report contains "forward-looking" statements that reflect our expectations regarding our future growth, results of operations, performance, business prospects and opportunities. Forward-looking statements are subject to a number of risks and uncertainties. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those set forth elsewhere in this Annual Report and listed under the heading "Risk Factors" in the Annual Information Form for the year ended December 31, 2012. The discussion of the Company's financial position and results of operations contained in this Annual Report should be read in conjunction with the financial statements and notes thereto included elsewhere in this Annual Report.

35
COUNTRIES

15,000
EMPLOYEES

300+
OFFICES

EVERY
CONTINENT

STRONG LOCAL PRESENCE / GLOBAL EXPERTISE / CLIENT FOCUS / GLOBAL DELIVERY

FRONT COVER

Paul Lahaie
Senior Technician –
Supervision (Transportation)

Agneta Tran-Haverinen
Project Engineer

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