



PRESS RELEASE

Third-Quarter Results for GLV Inc. The Acquisition of Christ Water Technology AG Contributes to Double GLV's Order Backlog

- Consolidated **revenues** of \$139.7 M, compared with \$154.0 M the previous year, including a 24.9% organic decrease (at constant exchange rates) partly mitigated by the one-month contribution of Christ Water Technology AG ("CWT");
- **Gross margin** representing 23.7% of revenues versus 23.0% last year, notably due to the larger proportion of aftermarket sales in the revenue mix;
- **Reversal of a special provision** of \$1.0 M for doubtful accounts in the Pulp and Paper Group due to a customer's improved situation and the negotiations underway to recover the receivable;
- Consolidated **normalized EBITDA**⁽¹⁾ of \$7.5 M, up 7.7% at constant exchange rates ;
- Consolidated **normalized EBITDA margin** of 5.4% (vs. 5.2% the previous year), including a 6.7% margin for the Water Treatment Group and a 6.4% margin for the Pulp and Paper Group;
- Excluding the expenses incurred by two EWT technological start-up units, which have not yet started to generate revenues, the Water Treatment Group's normalized EBITDA margin for the three and nine-month periods ended December 31, 2009 would have stood at 7.1% and 7.7 % respectively;
- Consolidated **normalized net earnings**⁽³⁾ of \$1.6 M or \$0.05 per share (basic and diluted), compared with \$4.7 M or \$0.18 per share (basic and diluted) the previous year;
- **Order backlog** of \$442.4 M as at December 31, 2009, up 98,7% (at constant exchange rates) over September 30, 2009, primarily reflecting the addition of CWT.

Montreal, Canada, February 11, 2010 — *[All amounts are in Canadian dollars unless otherwise indicated.]* For **GLV Inc.** ("GLV" or the "Company"; ticker symbols GLV.A, GLV.B / TSX), the third quarter ended December 31, 2009 was highlighted by the **acquisition of CWT**, whose results were included in GLV's consolidated results starting November 30, 2009, i.e. for a 31-day period. As EWT and CWT form a single operational group and reporting segment, their results are combined under the Water Treatment Group without any distinction in GLV's interim financial statements and management's discussion and analysis. For further information regarding results for the third quarter and first nine months of fiscal 2010, the reader is referred to the Company's Interim Report available on GLV's website (www.glv.com) and filed effective today on SEDAR's website (www.sedar.com).

Consolidated Results

Consolidated revenues for the third quarter amounted to \$139.7 M, compared with \$154.0 M the previous year, reflecting the addition of CWT for the last month of the period, and a 24.9% organic decrease (at constant exchange rates) primarily attributable to the Pulp and Paper Group. For the nine-month period, consolidated revenues totalled \$357.1 M, compared with \$449.0 M the previous year, including a 27.5% organic decrease at constant exchange rates. The **gross margin** as a percentage of revenues stood at 23.7%, versus 23.0% last year, which can notably be explained by the larger proportion of both groups' aftermarket revenues in the overall mix. For the first nine months, the gross margin rose from 22.2% to 24.6%.

Despite the addition of CWT, total **selling and administrative expenses** decreased by \$1.7 M in the third quarter and by \$4.8 M in the first nine months, largely due to the cost-reduction measures implemented by GLV since the third quarter of the last fiscal year in order to achieve recurring annual savings of approximately \$10 M. GLV's management is satisfied with the results of these restructuring measures, which should yield the targeted objective for fiscal 2010. During the third quarter, the Pulp and Paper Group recorded a **reversal of a special provision** for doubtful accounts in the amount of \$1.0 M that had been recognized during the previous fiscal year due to the financial difficulties encountered by a large customer. Since then, this customer has implemented a restructuring plan whose positive results thus far, along with GLV's current negotiations to recover the receivable, have sufficiently reduced the risk related to this account for GLV to reverse part of the provision. In addition, in the third quarter, GLV recorded a **special compensation** cost totalling \$0.65 M granted to certain employees in connection with the execution of the CWT acquisition, successfully completed at the end of November 2009.

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Excluding these non-recurring items, third-quarter **normalized EBITDA**⁽¹⁾ amounted to \$7.5 M, up 7.7% (at constant exchange rates) over the previous year due to the addition of CWT. The **normalized EBITDA**⁽¹⁾ **margin** as a percentage of revenues stood at 5.4%, versus 5.2%. For the first nine months of the current fiscal year, normalized EBITDA⁽¹⁾ totalled \$16.0 M, compared with \$22.8 M the previous year, as a result of the difficult market conditions affecting the Pulp and Paper Group. The normalized EBITDA⁽¹⁾ margin stood at 4.5%, versus 5.1%. GLV closed the third quarter with **normalized net earnings**⁽³⁾ of \$1.6 M or \$0.05 per share (basic and diluted), compared with normalized net earnings of \$4.7 M or \$0.18 per share (basic and diluted) the previous year. For the first nine months of fiscal 2010, GLV recorded normalized net earnings⁽³⁾ of \$4.5 M or \$0.14 per share (basic and diluted), compared with \$9.8 M or \$0.37 per share (basic and diluted) the previous year.

As at December 31, 2009, GLV's **order backlog** stood at \$442.4 M, compared with \$225.4 M as at September 30, 2009. This 98.7% increase (at constant exchange rates) is primarily attributable to the addition of CWT which recently, was notably awarded contracts totalling more than \$67 M in the seawater desalination and drinking water treatment segments in North Africa and the Middle East (these contracts are included in the December 31, 2009 order backlog).

For the fiscal year that will end on March 31, 2011, GLV expects to achieve consolidated revenues of \$725 M to \$775 M, depending on currency fluctuations and notwithstanding changes beyond its control that could occur in its different markets. Management looks forward to a general improvement in conditions within the Water Treatment Group's various markets for fiscal 2011, as well as a gradual improvement in market conditions for the Pulp and Paper Group.

Since the acquisition of CWT occurred only one month prior to the close of the third quarter ended December 31, 2009, and although management made every effort to establish CWT's opening balance sheet and the equity purchase price allowance as accurately as possible, further adjustments could be required in upcoming quarters

Results and Outlook for the Water Treatment Group

The group's quarterly **revenues** grew by 33.1% (at constant exchange rates) to \$94.8 M. The addition of CWT for the last month mitigated the 12.5% organic decrease (at constant exchange rates) in the group's revenues attributable to delays in the execution of certain contracts, notably in the United Kingdom. However, aftermarket revenues posted a 64.6% growth stemming primarily from the U.S. municipal market and the global market for water intake screening solutions. For the nine-month period, the Water Treatment Group's total revenues grew by 6.5% (at constant exchange rates) to \$220.0 M due to CWT's contribution which compensated for the 10.0% organic decrease (at constant exchange rates) in the group's revenues attributable to delays in the start-up or execution of certain projects. The aftermarket accounted for 15.3% of the group's total revenues, up from 9.2% the previous year.

The group's **normalized EBITDA**⁽¹⁾ increased by 22.0% (at constant exchange rates) to \$6.3 M. The normalized EBITDA⁽¹⁾ margin as a percentage of revenues stood at 6.7%, compared with 7.5% in the same quarter of the previous year. For the first nine months, normalized EBITDA⁽¹⁾ increased by 28.6% (at constant exchange rates) to \$15.5 M. The normalized EBITDA margin stood at 7.0%, versus 5.7% the previous year, driven primarily by the growth in the group's aftermarket revenues, the gradually improving performance by its Canadian and Finnish operations and the reduction in administrative expenses. For information purposes, excluding the costs incurred by EWT's two technological start-up units which have not yet started to generate revenues, the group's normalized EBITDA margin for the three and nine-month periods ended December 31, 2009 would have been 7.1% and 7.7% respectively.

As at December 31, 2009, the Water Treatment Group's **order backlog** reached \$391.2 M, compared with \$165.1 M as at September 30, 2009, which represents an increase of 139.0% (at constant exchange rates). This increase is primarily attributable to the addition of CWT's order backlog, combined with a 2.8% organic growth (at constant exchange rates) in the group's backlog. EWT is currently posting a good volume of new order bookings in the North American municipal market, notably for upgrading projects, in the global energy market and for its water intake screening solutions for desalination plants. For its part, although its industrial customers remain affected by the economic slowdown, especially in Europe, CWT is currently posting sustained activity in the seawater desalination and drinking water treatment niches, where it was recently awarded several contracts totalling more than \$67 M in North Africa and the Middle East for the supply of complete technological solutions. (These contracts are included in GLV's order backlog as at December 31, 2009). GLV is working to structure CWT so as to gradually improve the EBITDA margin over the next fiscal year, with a view to generating the 10% target margin in the last periods of fiscal 2011 or at the beginning of fiscal 2012.

Results and Outlook for the Pulp and Paper Group

This group's quarterly **revenues** decreased by 36.5% (at constant exchange rates) to \$42.2 M, due to the severe slowdown in the global pulp and paper industry since the fall of 2008. The **aftermarket** accounted for 63.6% of revenues, up from 45.8% last year. During the first nine months of the current fiscal year, revenues decreased by 42.9% (at actual and constant exchange rates) to \$129.5 M. The aftermarket accounted for 61.7% of year-to-date revenues, up from 44.0% the previous year.

Normalized EBITDA⁽¹⁾ decreased by 45.4% (at constant exchange rates) to \$2.7 M. The quarterly normalized EBITDA margin declined from 7.5% to 6.4%, as a result of decreasing revenues in the economic context. However, the group improved its gross profit margin (as a percentage of revenues) over the previous year, whereas its selling and administrative expenses were reduced by \$2.6 M. For the first nine months of fiscal 2010, the group's normalized EBITDA⁽¹⁾ decreased by 64.2% (at constant exchange rates) to \$7.1 M. The normalized EBITDA margin thus declined from 8.4% to 5.4%. Selling and administrative expenses were reduced by \$6.0 M. Management estimates that the cost-reduction measures implemented during fiscal 2009 and since the beginning of fiscal 2010, combined with sound overall management and the contribution of the aftermarket, enabled this group to preserve its operating profitability.

As at December 31, 2009, the Pulp and Paper Group's **order backlog** stood at \$46.9 M, reflecting a 10% decrease (at constant exchange rates) from September 30, 2009. It seems that the decline in the order backlog experienced by the group over the past year, in light of the severe slowdown in the pulp and paper industry, is tending to gradually abate. The global pulp and paper market continues to show some signs of improvement, including an increase in pulp prices and a growth in the volume of inquiries and calls for tenders by customers, particularly in China. Current global market trends point to a slow business recovery that could lead to an improvement in the group's order backlog, including in the spare parts niche.

The Company has initiated its annual goodwill impairment test. Management is currently reviewing the Pulp and Paper Group's strategic plan and operating budget in order to finalize the annual impairment test during the fourth quarter of the current fiscal year. Should goodwill impairment be recognized in the Pulp and Paper Group, it would be recognized in the financial results for the fourth quarter and fiscal year ending March 31, 2010, but would have no impact on the Company's treasury. For information purposes, the book value of the Pulp and Paper Group's goodwill posted as at December 31, 2009 amounted to \$3.7 M.

Purchase of CWT's Shares — Update

In addition to the 80.5% of CWT's outstanding shares acquired by GLV in November 2009, GLV continued to purchase CWT shares on the secondary market, at a maximum price of €3.35 per share, according to the terms of the Offer. CWT's shareholders who have not yet tendered their shares have until February 19, 2010 to do so, pursuant to the same terms as set forth in the Offer. GLV's management confirms that as at February 10, 2010, 88.67% of CWT's outstanding shares have either been purchased by GLV (86.90%), or tendered by CWT's shareholders (1.77%). Management is confident that GLV will complete the purchase of CWT's total share capital during the coming quarters.

Reporting by CWT of Preliminary Figures for its Fiscal Year Ended December 31, 2009

Concurrently with the release of GLV's results for the third quarter ended December 31, 2009, CWT today announces preliminary figures for its fiscal year ended December 31, 2009. These preliminary figures notably reflect the adjustments that CWT made to its balance sheet as at November 30, 2009.

About GLV Inc.

GLV is a leading global provider of technological solutions used in water treatment as well as in pulp and paper production. The **Water Treatment Group** specializes in the design and international marketing of solutions and high-performance, economical and eco-friendly processes for the treatment, ultrapurification and recycling of municipal and industrial wastewater and water used in various industrial processes. It notably offers solutions for power stations and seawater desalination plants, while also meeting the specific needs of the microelectronics, food and beverage processing, petrochemicals, pulp and paper, metal processing and certain other industries. With its extensive technological portfolio, the group is positioned to provide comprehensive solutions for the filtration, clarification, treatment purification and recycling of water that will either be returned into the environment, or be re-used in various industrial processes or for domestic purposes. The **Pulp and Paper Group** specializes in the design and global marketing of equipment and systems used in various stages of pulp and paper production, notably chemical pulping, pulp preparation and sheet formation and finishing. This group ranks among the foremost players in its industry and is a recognized leader in rebuilding, upgrading and optimization services for existing equipment, as well as the sale of spare parts. It also stands apart for the superior performance of several of its key products and technologies, notably in terms of energy savings. GLV is present around the world and has approximately 2,350 employees.

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Consolidated and Segmented Results, Cash Flows and Balance Sheet

<i>(in thousands of \$, except percentages, per share data and number of shares)</i>	Three months ended		Change 2009 versus 2008	Nine months ended		Change 2009 versus 2008
	December 31, 2009	December 31, 2008		December 31, 2009	December 31, 2008	
Revenues:						
Water Treatment	94,782	75,897	24.9%	219,971	209,587	5.0%
Pulp and Paper	42,247	72,994	(42.1%)	129,520	226,915	(42.9%)
Other and eliminations	2,685	5,069	(47.0%)	7,574	12,507	(39.4%)
Total	139,714	153,960	(9.3%)	357,065	449,009	(20.5%)
Gross margin	33,176	35,382	(6.2%)	87,858	99,477	(11.7%)
Selling and administrative expenses	25,640	27,385	(6.4%)	71,904	76,678	(6.2%)
EBITDA	7,886	2,293	243.9%	14,936	17,095	(12.6%)
Normalized items:						
Water Treatment	-	236	-	611	236	158.9%
Pulp and Paper	(1,000)	5,468	-	(369)	5,468	-
Other and eliminations	650	-	-	776	-	-
Total	(350)	5,704	-	1,018	5,704	(82.2%)
Normalized EBITDA ⁽¹⁾:						
Water Treatment	6,306	5,690	10.8%	15,495	11,850	30.8%
Pulp and Paper	2,697	5,448	(50.5%)	7,056	18,958	(62.8%)
Other and eliminations	(1,467)	(3,141)	(53.3%)	(6,597)	(8,009)	(17.6%)
Total	7,536	7,997	(5.8%)	15,954	22,799	(30.0%)
Depreciation and amortization:						
Water Treatment	1,860	1,434	29.7%	3,810	4,405	(13.5%)
Pulp and Paper	689	747	(7.8%)	2,219	2,211	0.4%
Other and eliminations	1,217	711	71.2%	3,725	2,271	64.0%
Total	3,766	2,892	30.2%	9,754	8,887	9.8%
Normalized EBIT ⁽²⁾:						
Water Treatment	4,446	4,256	4.5%	11,685	7,445	57.0%
Pulp and Paper	2,008	4,701	(57.3%)	4,837	16,747	(71.1%)
Other and eliminations	(2,684)	(3,852)	(30.3%)	(10,322)	(10,280)	0.4%
Total	3,770	5,105	(26.2%)	6,200	13,912	(55.4%)
Financial expenses	2,226	(1,304)	-	1,009	1,400	(27.9%)
Income taxes	155	241	(35.7%)	642	1,315	(51.2%)
<i>Effective tax rate</i>	8.2%	34.2%	-26.0% pts	15.4%	19.3%	-3.9% pts
Net earnings	1,858	464	300.4%	3,650	5,493	(33.6%)
per share (basic and diluted)	0.05	0.02		0.12	0.21	
Normalized net earnings ⁽³⁾	1,578	4,744	(66.7%)	4,464	9,773	(54.3%)
per share (basic and diluted)	0.05	0.18		0.14	0.37	
Weighted average number of participating shares outstanding (in thousands):						
basic and diluted	34,953	26,544	31.7%	31,108	26,501	17.4%
Margins as a percentage of revenues:						
Gross margin	23.7%	23.0%		24.6%	22.2%	
Normalized EBITDA	5.4%	5.2%		4.5%	5.1%	
Normalized EBIT	2.7%	3.3%		1.7%	3.1%	
Free cash flow ⁽⁴⁾	4,548	4,839		6,957	16,290	
Order backlogs:	Dec. 31, 2009	Sept. 30, 2009	June 30, 2009	March 31, 2009	Dec. 31, 2008	
Water Treatment	391,147	165,111	179,501	191,640	192,293	
Pulp and Paper	46,915	54,253	57,980	74,157	88,152	
Manufacturing Unit	4,358	6,045	6,983	6,882	10,521	
Total	442,420	225,409	244,464	272,679	290,966	

- (1) According to the reporting periods, earnings before depreciation and amortization, financial expenses, income taxes and items recorded outside the normal course of business, including restructuring costs, special doubtful accounts amounts and special compensation amounts.
- (2) According to the reporting periods, earnings before financial expenses, income taxes and items recorded outside the normal course of business, including restructuring costs, special doubtful accounts amounts and special compensation amounts.
- (3) According to the reporting periods, net earnings before items recorded outside the normal course of business, including restructuring costs, special doubtful accounts amounts and special compensation amounts (less related taxes).
- (4) Cash flows from operating activities excluding net changes in non-cash balances related to operations, less property, plant and equipment acquisitions (net of disposals).

EBITDA, EBIT, normalized net earnings and free cash flows are not performance measures consistent with Canadian generally accepted accounting principles ("GAAP"). The information regarding measures not consistent with Canadian GAAP is contained in the Company's Management's Report filed on SEDAR and on the Company's website (www.glv.com) effective today

The Interim Management's Report for the three and nine-month periods ended December 31, 2009, along with the interim consolidated financial statements (unaudited) and accompanying notes, are being filed today on SEDAR's website (www.sedar.com) and the Company's website (www.glv.com).

CONFERENCE CALL WITH INVESTORS ON FINANCIAL RESULTS FOR THE THIRD QUARTER OF FISCAL 2010

Thursday, February 11, 2010, at 2:00 p.m. (Montreal time)

Participants should dial **1-888-231-8191** a few minutes before the start of the call. For those unable to participate, a taped rebroadcast will be available starting Thursday, February 11, 2010 from 5:00 p.m. to midnight, Thursday, February 18, 2010, by dialing **1-800-642-1687**; **access code 52687961**.

THE CONFERENCE CALL (AUDIO) WILL BE AVAILABLE AT WWW.GLV.COM. Members of the media are invited to listen in.

Notice Regarding Forward-Looking Statements:

Certain statements included in this Interim Management's Report may constitute, within the meaning of applicable securities legislation, forward-looking statements relating to the Company's future growth trends, operating results and performance. Forward-looking statements concern analyses and other information based on forecasted future results and the estimate of amounts that cannot yet be determined. These may be observations concerning, among others, strategies, expectations, objectives, projections, estimates, predictions, planned activities or future actions. Forward-looking statements are recognized by the use of terms such as "forecast", "project" "could", "plan", "aim", "estimate" and other similar terms, possibly used in the future or conditional, notably in regard to certain assumptions. The purpose of the forward-looking statements included herein is to assist the reader in understanding the nature and the importance of the changes and trends, as well as the risks and uncertainties associated with the Company's operations and financial position, and may not be appropriate for other purposes.

The Company's management would like to point out that forward-looking statements involve a number of risks and uncertainties such that the Company's actual and future results could differ materially from the conclusions, assumptions or projections reflected in these forward-looking statements. Factors of uncertainty and risk that might result in such material differences include trends in the demand for the Company's products and services and cost of its raw materials, fluctuations in the value of various currencies, tightening of credit markets, pressures exerted on prices by the competition and general changes in economic conditions. The Company cautions readers that the foregoing list of risk factors is not exhaustive. Although the Company believes these assumptions to be reasonable and appropriate based on the information in its possession, there can be no assurance as to the materialization of the results, performance or achievements as expressed in or underlying the forward-looking statements. In addition, unless otherwise indicated, the forward-looking statements included in this Interim Management's Report were set forth at the date hereof, and unless required to do so pursuant to applicable securities legislation, management assumes no obligation as to the updating or revision of the forward-looking statements as a result of new information, future events or other changes.

For further information about the various factors that might affect the Company's future results, the reader is referred to the Company's filings with Canadian securities regulatory authorities, including the "Risk Management" section of the Interim Management's Report for the three-month period ended September 30, 2009 and Section V, "Risk Management" of the Management's Report for the fiscal year ended March 31, 2009, available on the websites of SEDAR (www.sedar.com) and GLV Inc. (www.glv.com).