

# CV Technologies Inc.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Second Quarter Interim Report  
March 31, 2008



# CV Technologies Inc.

Second Quarter Interim Report for the Period Ended

March 31, 2008

## TABLE OF CONTENTS

<b>MANAGEMENT'S DISCUSSION AND ANALYSIS .....</b>	<b>1</b>
<b><i>FORWARD-LOOKING INFORMATION .....</i></b>	<b>1</b>
<b>COMPANY OVERVIEW .....</b>	<b>2</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>3</b>
Revenue .....	3
Consolidated net earnings before taxes .....	3
United States.....	3
<b>LIQUIDITY AND CAPITAL RESOURCES.....</b>	<b>4</b>
Cash and working capital.....	4
Cash flow from operations.....	5
Cash flow from financing activities.....	5
Cash flow used in investing activities.....	5
Liquidity .....	6
Deferred revenue .....	6
Related party transactions.....	6
Outstanding shares and stock options.....	7
<b>RESULTS OF OPERATIONS.....</b>	<b>8</b>
Profitability .....	8
Revenue .....	8

# CV Technologies Inc.

Second Quarter Interim Report for the Period Ended

March 31, 2008

Cost of goods sold and gross profit.....	9
Operating expenses .....	9
Income tax expense.....	10
U.S. Activity.....	11
Research and development activity .....	12
<b>SUBSEQUENT EVENTS .....</b>	<b>13</b>
Commissioning of New Building .....	13
<b>FUTURE INITIATIVES .....</b>	<b>13</b>
<b>ANNUAL GENERAL MEETING OF SHAREHOLDERS .....</b>	<b>14</b>
<b>OUTLOOK .....</b>	<b>14</b>
<b>RISKS AND UNCERTAINTIES .....</b>	<b>15</b>
Market and Product.....	15
Seasonality of Demand .....	16
Liquidity .....	16
Foreign Currencies .....	16
<b>CRITICAL ACCOUNTING POLICIES, CHANGES AND ESTIMATES .....</b>	<b>17</b>
<b>ADOPTION OF ACCOUNTING CHANGES .....</b>	<b>17</b>
Accounting Changes.....	17
Capital Disclosures.....	18
<b>FUTURE ACCOUNTING PRONOUNCEMENTS .....</b>	<b>18</b>
Inventory .....	18

# CV Technologies Inc.

Second Quarter Interim Report for the Period Ended

March 31, 2008

Goodwill and Intangible Assets .....	18
<b>NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS .....</b>	<b>18</b>
Working Capital .....	19
EBITDA .....	19
Cash flow prior to working capital changes.....	20
<b>GLOSSARY .....</b>	<b>21</b>

