

EmerGeo Solutions Worldwide Inc.
(Formerly Kavalmedia Services Ltd.)

MANAGEMENT DISCUSSION AND ANALYSIS

For the three months ended June 30, 2009

Dated August 19, 2009

EmerGeo Solutions Worldwide Inc. **(Formerly Kavalmedia Services Ltd.)**

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This Management Discussion and Analysis (“MD&A”) of EmerGeo Solutions Worldwide Inc. (formerly Kavalmedia Services Ltd.) (the “Issuer” or the “Company”) has been prepared by management as of August 19, 2009 and should be read in conjunction with the consolidated financial statements and related notes thereto of the Company, as at and for three months ended June 30, 2009 and the audited consolidated financial statements and related notes thereto as at and for the year ended March 31, 2009, which were prepared in accordance with Canadian Generally Accepted Accounting principles. The Company is presently a “Venture Issuer”, as defined in NI 51-102.

This MD&A may contain “forward-looking statements” which reflect the Company’s current expectations regarding the future results of operations, performance and achievements of the Company. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as “anticipate,” “believe,” “estimate,” “expect” and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

Description of the Business

The Company was incorporated on October 16, 1997 under the laws of British Columbia. The Company is listed on the TSX Venture Exchange (the “Exchange”). Effective August 5, 2008, the Company changed its name from Kavalmedia Services Ltd. to EmerGeo Solutions Worldwide Inc. and commenced trading under its new name and symbol, EMG. There was no consolidation of share capital.

In October 2008, the Company has commenced trading its common shares on the Frankfurt Stock Exchange under the symbol EMI.

On May 2, 2008, the Company completed the acquisition of EmerGeo Solutions, Inc. (“EmerGeo”). Pursuant to a Share Exchange Agreement dated February 15, 2008, the Company acquired all of the issued and outstanding shares of EmerGeo in exchange for the issuance of 6,000,000 shares of the Company. In addition, 300,000 common shares of the Company were issued as a finder’s fee to an arm’s length party with respect to the acquisition. The 6,300,000 common shares are subject to a Value Security Escrow Agreement and will be released from escrow over a period of three years in accordance with the policies of the Exchange.

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EmerGeo, a British Columbia corporation, is a leading provider of Emergency Management software and consulting services. It sells to emergency management, environment health and safety, and security industries around the globe.

Historically, governments and industry have relied on manual (paper-based) tracking systems and voice communications to coordinate and support emergency response activities and resources. EmerGeo's software is designed to efficiently log, manage and communicate information among responders and provide tools to support life safety, property protection and environmental conservation. Its open standards technology enables seamless integration with GIS (mapping), security (camera), resource tracking (GPS), and other technologies to provide a Common Operating Picture (COP) across multiple departments and agencies. The software provides an integration platform with optional interfaces to world leading crisis management, alert/notification, and simulation solutions. EmerGeo leverages sales globally through partnership's with complimentary technology providers and integrators, such as CAE and ESRI.

We continue to focus our research & development on our core strengths which are emergency management information systems and geographic information systems (GIS). Our latest EmerGeo Mapping™ and Fusionpoint™ Version 5 software applications have been released and market acceptance has been positive. These product advancements are raising the price point and profit margins, expanding use, and increasing the scalability of our solutions.

Selected Annual Information

Years ended March 31,	2009	2008	2007
	\$	\$	\$
Revenues	2,082,336	962,375	290,159
Net income (loss)	(1,920,687)	15,604	(61,309)
Loss per share, basic and diluted	(0.12)	-	-
Total assets	2,387,516	644,870	255,689
Total long-term financial liabilities	Nil	Nil	Nil
Cash dividends declared	Nil	Nil	Nil

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Operations and Corporate Updates

Product Updates

EmerGeo Fusionpoint™

On June 30, 2009, EmerGeo released its new crisis management software product called EmerGeo Fusionpoint™. Building on the Company's disaster-proven technology and experience, EmerGeo Fusionpoint™ provides a unified view of information from multiple systems commonly used in response to emergencies: crisis information management software, such as WebEOC® and ETeam™, 9-1-1 dispatch systems, electronic (GIS) mapping, security cameras and other systems. EmerGeo Fusionpoint™ uses the latest open web standards and SOA (Service Oriented Architecture) to enable integration with a wide variety of systems. EmerGeo's unique and proprietary Fusion Service with "Intelligent Connectors" provides options to interface with many external systems and databases. Customers simply drag-and-drop their application windows ("widgets") into the EmerGeo Fusionpoint™ dashboard to create a custom emergency management web portal. More information can be obtained from the Company's website at <http://www.emergeo.com>.

EmerGeo Receives Emergency Program Contribution Award

On May 15, 2009, Michael Morrow, President & CEO of EmerGeo Solutions Worldwide Inc, received a plaque from the City of Vancouver Emergency Management Department to recognize the company's contribution to the City's Emergency Program. In a letter from the Emergency Program Manager, they state: "Beyond the provision of your company's core product, EmerGeo, you have personally participated in and supported the planning and execution of a number of the city's emergency operations centre exercises and provided additional support and hands-on training by embedding EmerGeo technical staff in our EOC during exercises. We thank you for your ongoing commitment to the City of Vancouver's Emergency Program and we look forward to future collaborations as we continue building resilience within the city".

Operations Update

During the year ended March 31, 2009, the Company announced that it has established a joint venture subsidiary with a local United Arab Emirates (UAE) partner, Atlas Telecom. The company, EmerGeo Software Solutions Middle East LLC (EmerGeo Middle East), will sell and support EmerGeo's products and provide technical support and emergency management services across the Middle East.

Investment in our market sector, public safety and homeland security, continues to grow despite the current upheaval in World markets. EmerGeo's technology helps responders do more with less and leverage existing investments in systems by fusing data from those systems using Fusionpoint – we are "bringing it

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all together”. Throughout the past year, the Company has invested in systems, hired key staff, established global partnerships and secured strategic contracts to position itself for continued exponential growth.

Below is a brief summary of a few key business activities that EmerGeo has successfully completed this fiscal year:

1. United Arab Emirates

- a. EMG software was successfully deployed at the national oil company in Abu Dhabi. This has opened an expansion opportunity among its fourteen (14) operating companies.
- b. Several sizeable multi-year, multi-million dollar proposals have been submitted for the supply of EmerGeo’s emergency management software, consulting services and online learning in new state of the art emergency operation centers in the Middle East. Awards are expected this fiscal year.

2. North America

- a. Successful completion of the first phase of a multi-year contract at one of the largest air based transport medicine organizations operating in North America. EMG is assisting with the development and implementation of their Emergency Management programs and Incident Management System (IMS). Phase 2 includes several software implementations in 2009 and 2010. EMG has also been contracted to deliver both online and instructor based training to over 300 employees.
- b. EMG has successfully implemented its software at a large Alberta-based pipeline company and updated/harmonized all emergency response programs, processes and systems for the entire line.
- c. EMG implemented its software at a large US-based gas and electric utility and has extended its services contract to configure the software for daily gas and electric operations.

3. Australia

EmerGeo software was selected after an intensive 2-year pilot as the standard emergency management system that enables real-time information and data sharing between multiple emergency response agencies across Western Australia. Additional sales to state and local agencies are expected as a result of this pilot and recent large wildfire events in Australia.

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4. Strategic Alliances

Several strategic alliances have been formed to leverage our sales and technology around the world. An example is CAE, (www.cae.com), a world leader in simulation technologies and training services. Together, EmerGeo and CAE have submitted proposals to several agencies around the globe, including a United Nations organization with global expansion opportunities.

5. Other Important Developments

EmerGeo was called upon to assist the Manitoba Emergency Measures Organization with response to the Red River Floods in March 2009. Software and support staff were deployed onsite within 2 weeks and the success of the software has opened opportunities to expand the implementation province-wide.

EmerGeo will continue to build, integrate and implement the World's leading emergency management information systems that are proven effective at helping save lives, secure property and protect the environment – around the Globe.

Discussion of Operations and Financial Condition

Three months ended June 30, 2009 compared with the three months ended June 30, 2008

Sales

Sales for the three months ended June 30, 2009 were \$494,281, up \$298,963 from \$195,318 in the same period of prior fiscal year. The increase in revenues was attributable to all revenue streams as a result of increased software sales as well as increased consulting revenues, including revenues from the Middle East. The Company has hired additional consultants to meet the increasing demands for the delivery of consulting services, software installation, eLearning and training, support and maintenance, and other related services.

Gross Profit and Margin

The Company's gross profit was \$186,843 during the three months ended June 30, 2009 compared to gross profit of \$30,857 in the same period of prior fiscal year. Overall margins increased from 16% to 38% for the period ended June 30, 2009.

Gross margins increased in the period as a result of improved utilization of the Company's consulting and customer service personnel, and the refocusing of underutilized consultants to focus more on sales and business development activities, particularly in the Middle East.

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Expenses

General and administrative expenses increased by \$74,264 from \$172,506 for three months ended June 30, 2008 to \$246,770 for the period ended June 30, 2009 as a result of increased corporate activity and increased infrastructure costs relating to expanded operations and increased staffing levels

Stock-based compensation of \$89,024 was recorded during the three months ended June 30, 2009, as a result of stock options granted to the Company's employees and consultants to purchase 85,000 shares at \$0.50 per share for a period of ten years expiring April 13, 2019. During the three months ended June 30, 2008, the Company incurred \$369,813 stock-based compensation.

Sales and marketing expenses increased by \$150,034 from \$129,454 the period ended June 30, 2008 to \$279,488 for the period ended June 30, 2009. The increase in sales and marketing expenses was a result of the Company's expansion of its sales and business development organization, corporate rebranding efforts, and increased global promotional activities in North America and particularly in the Middle East.

Research and development expenses increased by \$90,470 from \$36,141 for the period ended June 30, 2008 to \$126,611 for the period ended June 30, 2009. The increase in research and development expenses was mainly as a result of additional hiring to expand the Company's software development team.

Net Loss

During the three months ended June 30, 2009, the Company reported a net loss of \$568,790 as compared to a net loss of \$673,960 during the three months ended June 30, 2008. The decrease in net loss of \$105,170 was mainly due to the decrease in stock-based compensation expense recorded during the period offset by the increases in general and administrative expenses, sales and marketing and research and development from expanded operations as mentioned above.

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Summary of Quarterly Results

The following is a summary of certain financial information concerning the Company for each of the last eight reported quarters:

	Jun-30- 09	Mar-31- 09	Dec-31- 08	Sep-30- 08	Jun-30- 08	Mar-31- 08	Dec-31- 07	Sep-30- 07
Revenues	494,281	927,187	441,244	518,587	195,318	339,050	301,253	129,428
Net income (loss)	(568,790)	(463,460)	(340,177)	(443,090)	(673,960)	9,448	8,901	(14,292)
Per share basis: Basic and diluted earnings (loss)	(0.03)	(0.03)	(0.02)	(0.03)	(0.04)	0.00	0.00	0.00

During the eight fiscal quarters beginning Sep 30, 2007, there have been no significant trends.

During the quarter ended June 30, 2008, the Company completed the reverse acquisition of EmerGeo Solutions Inc. See "Description of Business" above.

Liquidity & Capital Resources

The Company has financed its operations and met its capital requirements primarily through the sale of capital stock, use of its borrowing facilities and loans from related parties. The Company's main source of liquidity consisted of cash and cash equivalents. As at June 30, 2009, the Company had cash and cash equivalents of \$730,960 representing a decrease of \$3,623 compared with cash and cash equivalents of \$734,583 at March 31, 2009.

The Company's cash and cash equivalents at June 30, 2009 were held for working capital purposes and were invested primarily in Guaranteed Investment Certificates.

The Company reported a working capital of \$465,516 at June 30, 2009 compared to a working capital of \$855,313 at March 31, 2009, representing a decrease in working capital by \$389,797. Net cash on hand decreased by \$3,623, resulting mainly from inflows of net cash of \$139,860 from the exercise of warrants and \$10,293 cash contribution by non-controlling interest offset by outflows of cash for operations of \$90,717, purchase of equipment of \$280 and investment in intangible assets of \$62,779.

Current assets excluding cash at June 30, 2009 decreased by \$696,026, from \$1,205,844 at March 31, 2009 to \$509,818 at June 30, 2009. The decrease in current assets was attributable to decreases in accounts receivable by \$662,814, prepaid expenses and deposits by \$10,004 and income tax assets of \$23,208.

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Current liabilities at June 30, 2009 decreased by \$309,852 from \$1,085,114 as at March 31, 2009 to \$775,262 at June 30, 2009. The decrease in current liabilities resulted from the decrease in accounts payable of \$141,758 and deferred revenue of \$168,094.

The Company, through its subsidiary, EmerGeo Solutions, has credit facilities with the Royal Bank of Canada, which includes demand operating loans to a maximum of \$150,000 which bears interest at prime plus 1.8%. These credit facilities are secured by a first priority lien on the assets of the company including, but not limited to, inventory, equipment, accounts receivable, chattel paper, documents of title, contractual rights and insurance claims, all patents, industrial designs, trade-marks, trade secrets and know-how, and all proceeds and renewals thereof. As at June 30, 2009, the line of credit has a balance of \$Nil (March 31, 2009 - \$Nil).

During the three months ended June 30, 2009, the Company raised \$139,860 from the exercise of 499,500 share purchase warrants.

The other sources of funds potentially available to the Company as of the date of this MD&A are the exercise of outstanding 663,000 share purchase warrants at \$0.75 per share which expire December 7, 2009, 1,220,325 share purchase warrants at \$1.50 per share which expire June 19, 2010, 565,000 vested stock options at \$0.34 per share which expire July 8, 2017, 481,250 vested stock options at \$0.56 per share which expire May 2, 2013, 13,125 vested stock options at \$1.12 per share which expire May 13, 2013, 31,250 vested stock options at \$0.95 per share which expire September 2, 2013, 182,500 vested stock options at \$0.50 per share which expire January 21, 2014 and 31,875 vested stock options at \$0.50 per share which expire April 13, 2019. However, there can be no assurance, whatsoever, that any of these outstanding exercisable securities will be exercised.

The Company believes it currently has sufficient working capital on hand to meet its expected capital requirements for fiscal 2010. Although the Company believes that its cash and cash equivalents from improved operations going forward will be sufficient to satisfy its immediate and future operating cash requirements, the Company may continue to have capital requirements in excess of its currently available resources to carry out its objectives and will, therefore, be required to raise additional funds. In addition, if the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. Although the Company has previously been successful in raising the funds required for its operations, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future. In the event that cash flow from operations, if any, together with the proceeds of any future financings are insufficient to meet the Company's current operating expenses, the Company will be required to re-evaluate its planned expenditures and allocate its total resources in such a manner as the

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Board of Directors and management deems to be in the Company's best interest. This may result in a substantial reduction of the scope of existing and planned operations.

Transactions with Related Parties

During the three months ended June 30, 2009, the Company paid or accrued \$18,000 (2008 - \$18,000) for professional fees to a company controlled by an officer of the Company.

During the three months ended June 30, 2009, the Company paid or accrued \$60,000 (2008 - \$60,000) for wages to two directors and officers of the Company.

During the three months ended June 30, 2009, the Company paid or accrued \$nil (2008 - \$13,142) for accounting fees to a company controlled by a spouse of a director and officer of the Company.

During the three months ended June 30, 2009, the Company paid or accrued \$16,913 (2008 - \$9,003) for legal fees and \$nil (2008 - \$12,771) for share issue costs to a company controlled by an officer of the Company.

During the three months ended June 30, 2009, the Company paid or accrued \$15,000 (2008 - \$15,000) for office, rent and administration to a company having an officer in common.

As at June 30, 2009, included in accounts payable and accrued liabilities was \$10,432 (March 31, 2009 - \$2,354) due to a company owned by an officer of the Company.

As at June 30, 2009, the amounts due to shareholders, directors, officers and related companies of directors and officers of \$87,357 (March 31, 2009 - \$87,357) were unsecured, non-interest bearing and without fixed terms of repayment.

These transactions are in the normal course of business operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Fourth Quarter Discussion

Not applicable

Subsequent Events

None.

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Adoption of New Accounting Standards

The Company has adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA) effective April 1, 2009.

(a) Goodwill and intangible assets

CICA Handbook Section 3064, *Goodwill and Intangible Assets* (Section 3064) replaces CICA Handbook Section 3062, *Goodwill and Intangible Assets* and establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. CICA Handbook Section 1000, *Financial Statement Concepts* is amended to clarify criteria for recognition of an asset. CICA Handbook Section 3450, *Research and Development Costs* is replaced by guidance in Section 3064. EIC 27 *Revenues and Expenditures During the Pre-Operating Period* is no longer applicable for entities that have adopted Section 3064. A number of other EIC abstracts have consequential amendments. CICA Accounting Guideline 11 *Enterprises in the Development Stage* is also amended to delete references to deferred costs and to provide guidance on development costs as intangible assets under CICA 3064. The adoption of this Section had no impact on the Company's consolidated financial statements.

(b) Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

EIC-173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*, provides guidance on how to take into account an entity's own credit risk and the credit risk of the counter party in determining the fair value of financial assets and financial liabilities, including derivative instruments, for presentation and disclosure purposes. The application of this EIC had no effect on the Company's consolidated financial statements.

Recent Accounting Pronouncements

(a) Business combinations -

CICA Handbook Section 1582, *Business Combinations*, replaces Section 1581, *Business Combinations* and provides the Canadian equivalent to International Financial Reporting Standards ("IFRS") 3, *Business Combinations*. This applies to a transaction in which the acquirer obtains control of one or more businesses. Most assets acquired and liabilities assumed, including contingent liabilities that are considered to be improbable, will be measured at fair value. Any interest in the acquiree owned prior to obtaining control will be remeasured at fair value at the acquisition date, eliminating the need for guidance on step acquisitions. Additionally, a bargain purchase will result in recognition of a gain and acquisition costs must be expensed. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

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(b) International Financial Reporting Standards -

In 2006, the Canadian Accounting Standards Board (AcSB) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly accountable companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended October 31, 2009. In July 2008, the Canadian Securities Administrators announced that early adoption will be allowed in 2009 subject to seeking exemptive relief. We are currently assessing the financial reporting impact of the transition to IFRS and the changeover date.

(c) Consolidations and Non-Controlling Interests -

Section 1601, *Consolidated Financial Statements*, and Section 1602, *Non-Controlling Interests*, replace Section 1600, *Consolidated Financial Statements*. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS standard, IAS 27 (Revised), *Consolidated and Separate Financial Statements*. The Sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year. The Company expects to adopt this standard on April 1, 2011.

Financial Instruments and Other Instruments

The risk exposure is summarized as follows:

(a) Credit risk -

Credit risk is the risk of loss resulting from the failure of a customer or counterparty to meet its contractual obligations to the Company. The carrying amount of financial assets represents the Company's estimate of maximum credit exposure.

The Company's credit risk is primarily attributable to its cash balances and accounts receivable. The Company's cash equivalents are held in Guaranteed Investment Certificates and are held on deposit with Schedule 1 banks or equivalent, with the majority of its cash held in Canadian based banking institutions, authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation.

The Company sells the majority of its products and services to government agencies responsible for emergency management within their jurisdictions, as well as to companies in industries responsible for their own emergency management programs, such as oil and gas, utilities, and forestry, located in

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Canada, United States, and the Middle East. The Company's exposure to credit risk associated with non-payment by customers of this nature to be limited, but may be affected by conditions or occurrences within its industry and the global marketplace. The Company closely monitors extensions of credit and performs ongoing credit evaluations of its customers' financial condition to manage its credit risk exposure. The Company believes it maintains adequate provisions for potential credit losses. The amounts disclosed in the consolidated balance sheet are net of allowances for doubtful accounts, estimated by the Company's management, based on prior experience and an assessment of current financial conditions of customers, as well as the general economic environment. As of June 30, 2009, accounts receivable are net of an allowance for doubtful accounts of \$11,241 (March 31, 2009 - \$11,241).

(b) Liquidity risk -

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due. As at June 30, 2009, the Company had in cash and cash equivalents a balance of \$730,960 to settle current liabilities of \$475,429 which mainly consist of accounts payable that are considered short term and settled within 30 days and amounts due to a related party which is non-interest bearing and no fixed terms of repayment. The Company's primary source of liquidity is its cash reserves. The Company also maintains certain credit facilities to support short term funding of operations and trade finance. The Company believes it has sufficient available funds to meet current and foreseeable financial requirements. The repayment schedule for our long-term credit facilities is included in note 9.

(c) Market risk -

(i) Interest rate risk -

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 cash and cash equivalents attract interest at floating rates and have maturities of 90 days or less. The interest is typical of Canadian banking rates, which are at present low, however the conservative investment strategy mitigates the risk of deterioration to the investment. A change of 100 basis points in the interest rates would not be material to the financial statements.

(ii) Foreign currency risk -

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has offices in Canada and the United States and holds cash in Canadian and United States currencies in line with forecasted expenditures.

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As at June 30, 2009, the denomination of the Company's financial instruments were as follows:

	US	Canadian	Other	Total
Cash	\$ 16,232	\$ 667,302	\$ 47,426	\$ 730,960
Accounts receivable	29,708	337,477	-	367,185
Accounts payable and Accrued liabilities	31,638	350,397	6,037	388,072

At June 30, 2009, the Company had no hedging agreements in place with respect to foreign exchange rates.

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Outstanding Share Data

As of the date of this MD&A, the Company has authorized and issued capital stock and options and warrants outstanding as follows:

1. Authorized and Issued Capital Stock
 - a) Authorized - Unlimited common shares without par value.
 - b) Issued

As at August 19 2009, there were 17,210,147 common shares issued and outstanding.

2. Options and Warrants Outstanding
 - a) Stock options outstanding as at August 19 2009 are as follows:

Number of Shares	Exercise Price	Expiry Date
565,000	\$0.34	July 8, 2017
550,000	\$0.56	May 2, 2013
15,000	\$1.12	May 13, 2013
50,000	\$0.95	September 2, 2013
365,000	\$0.50	January 21, 2014
85,000	\$0.50	April 13, 2019
1,630,000		

- b) Warrants outstanding as at August 19, 2009 are as follows:

Number of Shares	Exercise Price	Expiry Date
663,000	\$0.75	December 7, 2009
1,220,325	\$1.50	June 19, 2010
1,883,325		

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Other Requirements

Controls and Procedures

Disclosure controls and procedures ('DC&P') are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ('ICFR') are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

TSX Venture listed companies are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument NI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Sources of Information:

Additional disclosures pertaining to the Company's financial statements, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.