

Consolidated financial statements of
CGI GROUP INC.
For the nine months ended June 30, 2001

CGI GROUP INC.

Consolidated statements of earnings

(in thousands of Canadian dollars, except per share amounts) (unaudited)

	Three months ended		Nine months ended	
	2001	June 30, 2000	2001	June 30, 2000
	\$	\$	\$	\$
Revenue	404,136	330,701	1,112,297	1,115,907
Operating expenses				
Costs of services, selling and administrative expenses	339,656	299,538	946,426	961,321
Research and development	3,362	2,300	8,881	7,710
	343,018	301,838	955,307	969,031
Operating earnings before:	61,118	28,863	156,990	146,876
Depreciation and amortization of fixed assets	8,239	6,895	23,013	20,689
Amortization of contract costs	9,009	5,102	20,823	16,598
	17,248	11,997	43,836	37,287
Earnings before the following items	43,870	16,866	113,154	109,589
Interest				
Long-term debt	(1,114)	(799)	(2,948)	(2,678)
Other	53	-	(102)	(182)
Income	922	585	2,199	3,088
	(139)	(214)	(851)	228

Earnings before income taxes,

entity subject to significant influence and amortization of goodwill	43,731	16,652	112,303	109,817
Income taxes	19,419	5,353	49,658	43,432
<hr/>				
Earnings before entity subject to significant influence and amortization of goodwill	24,312	11,299	62,645	66,385
Entity subject to significant influence	-	13	7	64
<hr/>				
Earnings before amortization of goodwill	24,312	11,312	62,652	66,449
Amortization of goodwill, net of income taxes	6,972	4,436	19,684	13,202
<hr/>				
Net earnings	17,340	6,876	42,968	53,247
<hr/>				
Weighted average number of outstanding Class A subordinate shares and Class B shares	290,069,819	270,300,026	284,618,900	269,905,421
<hr/>				
Basic earnings per share before amortization of goodwill	0.08	0.04	0.22	0.25
<hr/>				
Diluted earnings per share before amortization of goodwill (Note 1)	0.08	0.04	0.22	0.24
<hr/>				
Basic and diluted earnings per share (Note 1)	0.06	0.03	0.15	0.20
<hr/>				

CGI GROUP INC.

Consolidated statements of retained earnings

(in thousands of Canadian dollars) (unaudited)

	Three months ended		Nine months ended	
	2001	June 30, 2000	2001	June 30, 2000
	\$	\$	\$	\$
Retained earnings, beginning of period, as previously reported	208,784	173,861	183,156	139,080
Adjustment for change in accounting policy	-	-	-	(11,590)
Retained earnings, beginning of period, as restated	208,784	173,861	183,156	127,490
Net earnings	17,340	6,876	42,968	53,247
Retained earnings, end of period	226,124	180,737	226,124	180,737

CGI GROUP INC.

Consolidated balance sheets

(in thousands of Canadian dollars) (unaudited)

	As at June 30, 2001	As at September 30, 2000
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	53,314	49,341
Accounts receivable	236,048	211,188
Income taxes	12,695	10,483
Work in progress	44,857	49,117
Prepaid expenses and other		
current assets	47,437	19,442

Future income taxes	10,308	7,052
	404,659	346,623
Investment in an entity subject to significant influence	-	1,261
Fixed assets	96,465	58,900
Contract costs	251,546	93,716
Future income taxes	24,077	24,470
Goodwill	529,076	395,903
	1,305,823	920,873
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	200,996	142,754
Deferred revenue	121,138	25,512
Future income taxes	6,401	7,963
Current portion of long-term debt	5,704	5,770
	334,239	181,999
Future income taxes	27,209	23,929
Long-term debt	61,979	37,644
Deferred revenue and other	32,781	-
	456,208	243,572
Shareholders' equity		
Capital stock (Note 2)	600,150	491,807
Contributed surplus	211	211
Warrants (Note 2)	19,655	-
Retained earnings	226,124	183,156
Foreign currency translation adjustment	3,475	2,127
	849,615	677,301
	1,305,823	920,873

CGI GROUP INC.

Consolidated statements of cash flows

(in thousands of Canadian dollars) (unaudited)

Three months ended June 30,	Nine months ended June 30,
--------------------------------	-------------------------------

	2001	2000	2001	2000
	\$	\$	\$	\$
Operating activities				
Net earnings	17,340	6,876	42,968	53,247
Adjustments for:				
Depreciation and amortization of fixed assets	8,239	6,895	23,013	20,689
Loss on disposal of fixed assets	-	814	-	945
Amortization of contract costs	9,009	5,102	20,823	16,598
Amortization of goodwill	7,335	4,727	20,779	14,160
Future income taxes	8,295	(834)	6,423	698
Foreign exchange loss (gain)	2,511	(484)	4,609	(583)
Entity subject to significant influence	-	(13)	(7)	(64)
Operating cash flow	52,729	23,083	118,608	105,690
Changes in non-cash operating working capital items:				
Accounts receivable	(8,306)	13,774	(4,610)	11,586
Work in progress	3,898	19,744	(963)	8,160
Prepaid expenses and other current assets	11	2,642	(12,003)	(12,170)
Accounts payable and accrued liabilities	30,892	(39,227)	19,631	(76,481)
Income taxes	9,727	(8,783)	(3,070)	(6,672)
Deferred revenue	12,912	7,763	40,775	400
	49,134	(4,087)	39,760	(75,177)
Cash provided by operating activities				
	101,863	18,996	158,368	30,513
Financing activities				
Addition of long-term debt	35,000	-	55,000	-
Reduction of long-term debt	(12,240)	(17,575)	(43,934)	(20,960)
Issuance of shares	5	349	490	10,497
Cash provided by (used for) financing activities				
	22,765	(17,226)	11,556	(10,463)

Investing activities				
Business acquisitions				
(net of cash) (Note 3)	(61,669)	-	(108,792)	(2,892)
Entity subject to				
significant influence	-	-	-	(514)
Purchase of fixed assets	(10,450)	(3,349)	(21,027)	(12,440)
Proceeds from sale of				
fixed assets	-	537	-	834
Contract costs	(25,885)	(4,247)	(36,260)	(14,693)
<hr/>				
Cash used for investing				
activities	(98,004)	(7,059)	(166,079)	(29,705)
<hr/>				
Foreign exchange (loss)				
gain on cash held in				
foreign currencies	(1,500)	1,184	128	717
<hr/>				
Net increase (decrease) in				
cash and cash equivalents	25,124	(4,105)	3,973	(8,938)
Cash and cash equivalents,				
beginning of period	28,190	37,396	49,341	42,229
<hr/>				
Cash and cash equivalents,				
end of period	53,314	33,291	53,314	33,291
<hr/>				
Interest paid				
	1,291	799	4,040	2,860
Income taxes paid and received				
	897	14,678	31,515	53,525
<hr/>				

CGI GROUP INC.

Notes to the consolidated financial statements

(tabular amounts only are in thousands of Canadian dollars)(unaudited)

Note 1 - Summary of significant accounting policies

These interim financial statements should be read in conjunction with the consolidated financial statements of the Company and notes thereto for the year ended September 30, 2000.

On October 1, 2000, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook section 3500 - Earnings per share. Under the revised section 3500, the treasury stock method is used instead of the current imputed earnings approach for determining the dilutive effect of options and warrants issued. In addition, the section requires that a reconciliation of the numerator and denominator be disclosed.

Three months ended June 30,			
2001			
	Net earnings (numerator)	Number of shares (denominator)	Per share amount
	\$		\$
Net earnings available			
to common shareholders	17,340	290,069,819	0.06
Dilutive options	-	969,315	
Dilutive warrants	-	518,130	
Net earnings available			
to common shareholders			
and assumed conversions	17,340	291,557,264	0.06

Three months ended June 30,			
2000			
	Net earnings (numerator)	Number of shares (denominator)	Per share amount
	\$		\$
Net earnings available			
to common shareholders	6,876	270,300,026	0.03
Dilutive options	-	1,882,861	
Dilutive warrants	-	-	

Net earnings available			
to common shareholders			
and assumed conversions	6,876	272,182,887	0.03

Nine months ended June 30,

2001

	Net earnings (numerator)	Number of shares (denominator)	Per share amount
	\$		\$

Net earnings available			
to common shareholders	42,968	284,618,900	0.15
Dilutive options	-	881,941	
Dilutive warrants	-	151,453	

Net earnings available			
to common shareholders			
and assumed conversions	42,968	285,652,294	0.15

Nine months ended June 30,

2000

	Net earnings (numerator)	Number of shares (denominator)	Per share amount
	\$		\$

Net earnings available			
to common shareholders	53,247	269,905,421	0.20
Dilutive options	-	3,011,295	
Dilutive warrants	-	-	

Net earnings available			
to common shareholders			
and assumed conversions	53,247	272,916,716	0.20

Note 2 - Capital Stock and Warrants

Capital Stock

Class A subordinate shares carrying one vote per share, participating equally with Class B shares with respect to the payment of dividends and convertible into Class B shares under certain conditions in the event of certain takeover bids on Class B shares.

Class B shares, carrying ten votes per share, participating equally with Class A subordinate shares with respect to the payment of dividends and convertible at any time at the option of the holder into Class A subordinate shares.

Options

Under a stock option plan for certain employees and directors of the Company and its subsidiaries, the Board of Directors may grant, at its discretion, options to purchase company stock to certain employees and directors of the Company and of its subsidiaries. The exercise price is established by the Board of Directors but may not be lower than the average closing price for Class A subordinate shares over the five business days preceeding the date of grant. Each option must be exercised within a ten-year period, except in the event of retirement, termination of employment or death.

Warrants

In connection with the signing of strategic outsourcing contracts and business acquisitions, the Company issued to the other parties warrants to purchase Class A subordinate shares. The exercise prices were determined using the average closing price for Class A subordinate shares at a date and for a number of days agreed upon by the parties. The warrants vest upon signature of the contracts or date of business acquisitions and have an exercise period

of five years. As at June 30, 2001, there were 5,118,210 warrants issued and outstanding. The fair value of the warrants is estimated at the grant date using the Black-Scholes option pricing model with the following assumptions : risk-free interest rate of 4.9%, dividend yield of 0.0%, volatility factor of 57.7% and expected life of 5 years.

CGI GROUP INC.

Notes to the consolidated financial statements

(tabular amounts only are in thousands of Canadian dollars)(unaudited)

Note 2 - Capital Stock and Warrants (Continued)

The following table presents information concerning capital stock issued and paid and all stock options and warrants as at June 30, 2001 :

Number of shares issued and paid	Number
Class A subordinate shares	255,224,941
Class B shares	34,846,526
Total Capital stock	290,071,467
Number of stock options	
(convertible into Class A subordinate shares)	9,278,480
Number of warrants	
(convertible into Class A subordinate shares)	5,118,210
Number of shares reflecting the potential exercise of stock options and warrants	304,468,157

As at June 30, 2001, and September 30, 2000, (after giving retroactive effect of the subdivision of the Company's shares that occurred on August 12, 1997, December 15, 1997, May 21, 1998 and January 7, 2000), the

Class A subordinate shares and the Class B shares changed as follows :

June 30, 2001			
Class A subordinate shares		Class B shares	
Number	Amount	Number	Amount

		\$		\$
Balance, beginning				
of period	240,755,667	490,645	34,846,526	1,162
Issued for cash	-	-	-	-
Issued as consideration				
for business acquisitions	14,299,441	107,853	-	-
Options exercised	169,833	490	-	-
Balance, end of period	255,224,941	598,988	34,846,526	1,162

September 30, 2000

	Class A subordinate shares		Class B shares	
	Number	Amount	Number	Amount
		\$		\$
Balance, beginning				
of period	233,887,974	423,616	34,773,652	148
Issued for cash	287,914	4,003	-	-
Issued as consideration				
for business acquisitions	5,626,369	57,112	-	-
Options exercised	953,410	5,914	72,874	1,014
Balance, end of period	240,755,667	490,645	34,846,526	1,162

The following table presents information concerning all stock options granted to certain employees and directors by the Company as at June 30, 2001, and September 30, 2000:

	June 30, 2001	September 30, 2000
Number of options		
Outstanding, beginning of period	6,413,181	4,996,414
Granted	3,678,022	2,565,594
Exercised, forfeited and expired	(812,723)	(1,148,827)
Outstanding, end of period	9,278,480	6,413,181

CGI GROUP INC.

Notes to the consolidated financial statements

(tabular amounts only are in thousands of Canadian dollars)(unaudited)

Note 3 - Business acquisitions

During the nine months ended June 30, 2001, the Company acquired all the outstanding shares of C.U. Processing Inc. and RSI Realtime Inc. on October 4, 2000, and on December 12, 2000, respectively, and acquired 49% of all the outstanding shares of AGTI Consulting Services Inc. ("AGTI") on November 27, 2000. On January 4, 2001, the Company acquired all the outstanding shares of Groupe-conseil CDL Inc. and, on January 9, 2001, acquired all of the outstanding Star Data Systems Inc. ("Star Data") common shares on the basis of 0.737 Class A subordinate shares of the Company for each Star Data common share. On January 12, 2001, the Company increased its interest in Conseillers en informatique d'affaires from 35% to 49% and began using the proportionate consolidation method to account for this investment; prior to January 12, 2001, the Company used the equity method to account for this investment. A contingent payment of \$1,640,000 for AGTI was made in the three months ended March 31, 2001 based on the accomplishment of specified financial goals as at December 31, 2000. The contingent payment resulted in a corresponding increase of the purchase price and the resulting goodwill.

On May 1, 2001, the Company signed a strategic alliance for the management of data and micro-computing of Mouvement Desjardins operations. In the context of this agreement, the Company acquired the related assets, certain intellectual property rights and assumed liabilities of La Confédération des Caisses Populaires et d'Economie Desjardins du Québec ("Desjardins") used in data and micro-computing of Mouvement Desjardins operations. In addition, approximately 450 Desjardins employees were transferred to the Company. On May 31, 2001, the Company acquired CyberBranch, a subsidiary of Stanford Federal Credit Union of Palo Alto, California, and, on June 12, 2001, made its initial contribution of \$5,000,000 in NTER Technologies, Limited Partnership ("NTER"), a partnership created on February 1, 2001. The Company accounts for its 49.9% interest in NTER using the proportionate consolidation method.

These acquisitions were accounted for using the purchase method, as follows:

Desjardins	Star Data	AGTI
------------	-----------	------

	\$	\$	\$
Non-cash working			
capital items	11,625	(16,153)	2,216
Fixed assets	13,368	21,211	448
Contract costs	111,986	7,613	-
Future income taxes	-6,685	12,616	10
Goodwill	9,549	75,512	14,602
Current liabilities	-34,846	-	-
Long-term debt	-	(10,799)	-
Other non-current liabilities	(32,781)	-	-
<hr/>			
Cash position at acquisition	72,216	90,000	17,276
	-	12,820	7,639
<hr/>			
	72,216	102,820	24,915
<hr/>			

Consideration			
Cash	57,945	-	24,915
Issuance of 14,299,441 Class A subordinate shares	-	102,820	-
4,000,000 warrants at fair value	14,271	-	-
Equity value of CIA investment at acquisition date	-	-	-
<hr/>			
	72,216	102,820	24,915
<hr/>			

	C.U. Processing	Other	Total
	\$	\$	\$
Non-cash working capital items	(9,811)	1,653	(10,470)
Fixed assets	3,298	1,076	39,399
Contract costs	447	184	120,230
Future income taxes	4,228	428	10,597
Goodwill	39,351	14,114	153,128
Current liabilities	-	-	(34,846)
Long-term debt	(812)	(1,462)	(13,073)
Other non-current liabilities	-	-	(32,781)
<hr/>			
Cash position at acquisition	36,699	15,993	232,184
	1,837	3,136	25,432
<hr/>			
	38,536	19,129	257,616
<hr/>			

Consideration

Cash	38,536	12,828	134,224
Issuance of 14,299,441 Class A subordinate shares	-	5,033	107,853
4,000,000 warrants at fair value	-	-	14,271
Equity value of CIA investment			
at acquisition date	-	1,268	1,268
	38,536	19,129	257,616

Note 4 - Segmented information

The Company provides information technology services. The following presents information on the Company's operations based on its organizational structure.

As at and for the three months ended June 30, 2001	Canada	US	Inter- national
	\$	\$	\$
Revenue	342,411	51,321	15,593
Operating expenses	269,248	52,628	17,233
Operating earnings before:	73,163	(1,307)	(1,640)
Depreciation and amortization	15,480	866	345
Earnings before interest, income taxes, entity subject to significant influence and amortization of goodwill	57,683	(2,173)	(1,985)
Total assets	954,643	197,039	70,600

As at and for the three months ended June 30, 2001	Corporate expenses and programs	Inter- segment elimination	Total
	\$	\$	\$
Revenue	-	(5,189)	404,136

Operating expenses	9,098	(5,189)	343,018
<hr/>			
Operating earnings before:	(9,098)	-	61,118
Depreciation and amortization	557	-	17,248
<hr/>			
Earnings before interest, income taxes, entity subject to significant influence and amortization of goodwill	(9,655)	-	43,870
<hr/>			
Total assets	83,541	-	1,305,823
<hr/>			

Note 4 - Segmented information (Continued)

As at and for the three months ended June 30, 2000	Canada	US	Inter- national
	\$	\$	\$
Revenue	255,367	56,914	39,221
Operating expenses	220,631	55,539	37,819
<hr/>			
Operating earnings before:	34,736	1,375	1,402
Depreciation and amortization	10,214	907	552
<hr/>			
Earnings before interest, income taxes, entity subject to significant influence and amortization of goodwill	24,522	468	850
<hr/>			
Total assets	496,645	171,203	124,667
<hr/>			

Note 4 - Segmented information (Continued)

As at and for the nine months
ended June 30, 2001

Revenue	932,676	152,201	54,421
Operating expenses	742,632	156,874	56,561
<hr/>			
Operating earnings before:	190,044	(4,673)	(2,140)

Depreciation and amortization	39,072	2,468	1,182
<hr/>			
Earnings before interest, income taxes, entity subject to significant influence and amortization of goodwill	150,972	(7,141)	(3,322)
<hr/>			
Total assets	954,643	197,039	70,600
<hr/>			

As at and for the nine months
ended June 30, 2000

Revenue	858,543	162,904	158,432
Operating expenses	719,187	151,755	140,842
<hr/>			
Operating earnings before: Depreciation and amortization	139,356 31,577	11,149 3,289	17,590 1,434
<hr/>			
Earnings before interest, income taxes, entity subject to significant influence and amortization of goodwill	107,779	7,860	16,156
<hr/>			
Total assets	496,645	171,203	124,667
<hr/>			

As at and for the three months ended June 30, 2000	Corporate expenses and programs	Inter- segment elimination	Total
	\$	\$	\$
Revenue	-	(20,801)	330,701
Operating expenses	8,650	(20,801)	301,838
<hr/>			
Operating earnings before: Depreciation and amortization	(8,650) 324	- -	28,863 11,997
<hr/>			
Earnings before interest, income taxes, entity subject to significant influence			

and amortization of goodwill	(8,974)	-	16,866
<hr/>			
Total assets	58,316	-	850,831
<hr/>			

As at and for the nine months
ended June 30, 2001

Revenue	-	(27,001)	1,112,297
Operating expenses	26,241	(27,001)	955,307
<hr/>			
Operating earnings before:	(26,241)	-	156,990
Depreciation and amortization	1,114	-	43,836
<hr/>			
Earnings before interest, income taxes, entity subject to significant influence and amortization of goodwill	(27,355)	-	113,154
<hr/>			
Total assets	83,541	-	1,305,823
<hr/>			

As at and for the nine months
ended June 30, 2000

Revenue	-	(63,972)	1,115,907
Operating expenses	21,219	(63,972)	969,031
<hr/>			
Operating earnings before:	(21,219)	-	146,876
Depreciation and amortization	987	-	37,287
<hr/>			
Earnings before interest, income taxes, entity subject to significant influence and amortization of goodwill	(22,206)	-	109,589
<hr/>			
Total assets	58,316	-	850,831
<hr/>			

Note 5 - Commitment

On June 28, 2001, the Company signed a letter of intent to acquire all the outstanding shares of Larochelle Gratton, a Quebec-based IT consulting firm, for a total consideration of approximately \$9,200,000 payable in cash

and by the issuance of 517,000 Class A subordinate shares of the Company. The transaction will be effective July 1, 2001.

Note 6 - Subsequent event

On July 27, 2001, the shareholders of IMRglobal Corp. ("IMR") approved a merger agreement providing for the acquisition by the Company of all outstanding shares of common stock of IMR, on the basis of 1.5974 Class A subordinate share of the Company for each share of IMR common stock. As a result of the merger, based on the number of outstanding shares of IMR common stock and IMR stock options outstanding as at July 27, 2001, the Company will issue approximately 70.8 million Class A subordinate shares and outstanding IMR stock options will become up to approximately 8.4 million options to acquire Class A subordinate shares.

The Company will account for the merger in accordance with Statement of Financial Accounting Standards No. 141, Business Combinations, the conclusions of which are substantially similar to the recommendations of the CICA Handbook Section 1581, Business Combinations. As a result of adopting this standard, the purchase price will be determined using the weighted average trading price of the Class A subordinate share on the Toronto Stock Exchange ("TSE") for the twenty-one-day period starting ten days before and ending ten days after the announcement date of February 21, 2001 of \$7.58 per share. Under the prior Canadian standards, the purchase price would have been determined on a twenty-one-day period around the closing date rather than a twenty-one-day period around the announcement date. Estimated professional fees and integration costs related to the acquisition of \$74,000,000 will be included in the total purchase consideration, as well as a fair value of approximately \$55,000,000 for the IMR options.

Certain holders of Class B shares have committed to exercise their preemptive rights in connection with the merger pursuant to which approximately 6.0 million Class B shares will be issued, up to a maximum aggregate amount of \$60,000,000. BCE Inc., a shareholder, has determined not to exercise its preemptive rights to acquire additional Class A subordinate shares and Class B shares. The exercise price of the preemptive rights will be determined using the Class A subordinate share weighted average trading price on the TSE for the twenty-one-day period starting ten days before and ending ten days after July 27, 2001.

Note 7 - Comparative figures

Certain comparative figures have been reclassified in order to conform to the presentation adopted in 2001.