

As we enter our 35<sup>th</sup> year, we are proud of the progress we have accomplished in partnership with all our stakeholders. Our record of consistent profitable growth is a result of their collective contributions — the confidence of our clients, the entrepreneurial spirit of our professionals, whom we call members, and the trust of our shareholders.

In fiscal 2010, the commitment of our stakeholders continued to drive our success. Our performance has solidified our leadership position in our industry and has strengthened us — strategically, operationally and financially — for future growth in fiscal 2011 and beyond.

**TO OUR CLIENTS, THANK YOU FOR YOUR CONFIDENCE.** For CGI, quality work means more work, and operational excellence has always been our passion. This is reflected in our long track record of on-time, on-budget delivery. In fiscal 2010, we continued our tradition of high client satisfaction, scoring an average of 9.0 out of 10 rating based on approximately 2,500 signed client assessments. More importantly, we received a 9.2 rating for client loyalty, denoting our clients' intent to continue to use and recommend CGI's services to others. Client loyalty is important in any business, but in a services business like ours, it is vital.

The ability of our teams to consistently deliver value to clients is due to the disciplined implementation of the CGI Management Foundation (see page 23) in all facets of our business. This foundation governs quality management across our operations and for each stakeholder group. Our strong commitment to operational excellence is also supported by an extensive local and global delivery model. CGI's 125 offices, global delivery centers on three continents and project offices in dozens of countries geographically cover more than 70% of the world's IT spend and offer clients the advantages of local responsiveness and accountability combined with access to vast global resources. Clients are able to choose the optimal blend of onsite, onshore, nearshore and offshore delivery options to meet their specific business requirements and to drive optimal value, quality, efficiencies and cost savings.

Our success in meeting client expectations in fiscal 2010 led to significant new contract signings. We booked 4.6 billion dollars, or 124 percent of revenue, adding new global marquee clients while renewing, extending and expanding our relationship with others.

These wins, combined with major contract renewals across our targeted industries, including new revenue opportunities generated from our merger with Stanley, Inc., have enhanced our scale and delivery capabilities. Our focus will continue to be on generating the results our clients need to grow and thrive in their respective industries.

**TO OUR MEMBERS, THANK YOU FOR YOUR ENTREPRENEURIAL SPIRIT.** One of the defining aspects of CGI's culture is our emphasis on ownership and engagement. We understand that having a stake in CGI helps to drive commitment, motivation and success, and today, more than 87% of our members own CGI shares through our share purchase plan, representing the single largest block of share ownership.

This ownership mentality is woven into all aspects of our management approach, which fosters engagement, empowerment and accountability among members. It is also the center of our company dream, which has remained unchanged since our founding: **To create an environment in which we enjoy working together and, as owners, contribute to building a company we can be proud of.**



Since June 1976,  
André Imbeau and  
Serge Godin have  
been having fun  
working together  
to build a company  
they can be proud  
of — a company that  
has grown from two  
entrepreneurs into a  
global champion with  
31,000 professionals.



We believe our focus on ownership is one of the key reasons that CGI continues to outperform our peers. CGI members have a vested interest in the success of our clients and, in turn, a strong incentive to work hard and diligently to ensure their success. They have the power to make decisions in our clients' best interests and the opportunity to share in the rewards of a job well done. This empowerment and accountability leads to rigor and excellence in serving clients and, in turn, drives our exceptionally high client satisfaction scores.

CGI's ownership philosophy also drives our member satisfaction and commitment, as measured by our Member Satisfaction Assessment Process. This assessment process is part of our Member Partnership Management Framework, which governs how we relate to and support our members. This process is completed annually and, year after year, members cite the satisfaction of clients as key to their own satisfaction. Being fully engaged as owners to help our clients win and grow fuels their desire to come to work each day.

Strong member satisfaction in CGI is also reflected by our low attrition rate, which remains among the lowest in the industry. Our professionals are loyal and dedicated, and provide reliable and consistent services to clients over the long term.

**TO SHAREHOLDERS, THANK YOU FOR YOUR TRUST.** CGI is committed to delivering strong financial results that contribute to superior returns for our shareholders. In fiscal 2010, we succeeded on this front, strengthening our balance sheet and profitability growing our business. Highlights of our performance include the following:

- \$3.7 billion in revenue, or 3.4% growth in constant currency
- \$4.6 billion in new contract bookings, or 124% of revenue
- Adjusted EBIT was up 11.1% to \$511.9 million, or 13.7% of revenue
- Earnings from continuing operations were up 14.8% to \$362.8 million
- Earnings per share (diluted) were up 21.6% to \$1.24
- \$552.4 million in cash was generated from operating activities, representing 15% of revenue and \$1.89 per share
- Return on invested capital was 16.3%
- \$516.7 million was invested in buying back CGI shares

As a result of this performance, CGI's share price increased by more than 25% year-over-year, contributing significantly to the \$1.5 billion increase in our enterprise value.

Looking ahead to fiscal 2011 and beyond, we have ample liquidity to continue investing our cash in the most accretive opportunities for shareholders. Our investment priorities include profitable organic growth, accretive acquisitions, share repurchase and debt repayment.

Given the attractive valuation of CGI shares, we continue to invest aggressively in our share repurchase program. As of September 30, 2010, 18.2 million shares had been purchased, or 72% of our total authorized allotment, and we continue to have the financial flexibility to repurchase the remaining 7.0 million shares before February 2011.



**"Nobody washes a rental car... When you own something, you take better care of it."**

**CEO Michael E. Roach on why a culture of ownership has been so critical to CGI's success.**





On the growth front, the merger with Stanley, Inc. has been completed and their operations have been fully integrated into our CGI Federal business unit, which is structured and organized under a Special Security Agreement (SSA) to serve the U.S. federal government market. We are now better positioned to win business in this \$100 billion market. It has opened the door to new opportunities across all agencies of the U.S. federal government. A dedicated team has been busy identifying and capitalizing on business synergies, and their success has yielded more than 80% of the targeted savings, or more than \$20 million on an annualized basis. We feel confident that over the next 12 to 24 months the merger will yield an earnings per share accretion rate of 15 to 20 percent. Moreover, CGI is now ranked among the top 30 U.S. federal government contractors. We were also selected as one of only 11 vendors chosen to provide cloud computing services to the U.S. federal government and named the 2010 Greater Washington U.S. Government Contractor of the Year.

In the year ahead, as part of our long-term “Build and Buy” strategy, we will continue to identify and pursue other accretive acquisitions in key geographies and markets in order to continue strengthening our capabilities. Our focus remains on looking for the right target at the right price at the right time.

With respect to profitable organic growth, we see significant market opportunities in fiscal 2011 and have identified five company-wide priorities:

- We will reinforce our full-offering profitable growth strategy, which focuses on promoting our entire suite of capabilities to clients and prospects. We will also focus on increasing our end-to-end outsourcing and recurring revenue streams.
- We will seek to accelerate growth and expand margins through an increased focus on the sale of IP-based solutions.
- We will continue to invest in new growth areas, such as cloud computing and our defense and intelligence business.
- To win more, we will increase the level of business development activities in addition to leveraging our global delivery network to a greater extent.
- And, finally, we will strengthen our CGI partner network and go-to-market alliances to attract new sources of profitable revenue.

**35 YEARS AND BEYOND.** CGI has operated under the same fundamental beliefs and quality-focused business model for 35 years. We believe our consistent ability to execute this model will continue to create value for all of our stakeholders, even in the most challenging market conditions. We remain fully committed to these fundamentals and to exceeding our stakeholders' expectations in fiscal 2011 and beyond.

Once again, we want to thank all of our stakeholders for their ongoing commitment to CGI. Your support has brought us to where we are today and will drive our future growth. We are very grateful to you for this.

In addition, we thank the members of our Board of Directors for their guidance and unwavering support. We also sincerely thank departing member David Johnston who was chosen by the Canadian government to represent the Queen as Canada's Governor General. We value his contribution and wish him well.

We look forward to working closely with all our partners in the years ahead, as we continue to fulfill CGI's vision and dream.

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**Serge Godin**

Founder and  
Executive Chairman of the Board

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**Michael E. Roach**

President and  
Chief Executive Officer