

Consolidated Financial Statements

Consolidated Statements of Earnings

| | 2010 | 2009 (Restated Note 2a) | 2008 (Restated Note 2a) |
|---|------------------|-------------------------------|-------------------------------|
| Years ended September 30 (in thousands of Canadian dollars, except share data) | | | |
| | \$ | \$ | \$ |
| Revenues | 3,732,117 | 3,825,161 | 3,705,863 |
| Operating expenses | | | |
| Costs of services, selling and administrative (Note 17) | 3,025,823 | 3,170,406 | 3,110,760 |
| Amortization (Note 14) | 195,308 | 195,761 | 163,172 |
| Acquisition-related and integration costs (Note 18a) | 20,883 | – | – |
| Interest on long-term debt | 17,123 | 18,960 | 27,284 |
| Interest income | (2,419) | (2,908) | (5,570) |
| Other (income) expenses | (952) | 3,569 | 3,341 |
| Foreign exchange (gain) loss | (916) | (1,747) | 1,445 |
| Gain on sale of capital assets | (469) | – | – |
| | 3,254,381 | 3,384,041 | 3,300,432 |
| Earnings from continuing operations before income taxes | 477,736 | 441,120 | 405,431 |
| Income tax expense (Note 16) | 114,970 | 125,223 | 106,297 |
| Earnings from continuing operations | 362,766 | 315,897 | 299,134 |
| Earnings (loss) from discontinued operations, net of income taxes (Note 19) | – | 1,308 | (5,134) |
| Net earnings | 362,766 | 317,205 | 294,000 |
| Attributable to: | | | |
| Shareholders of CGI Group Inc. | | | |
| Earnings from continuing operations | 362,386 | 315,158 | 298,266 |
| Earnings (loss) from discontinued operations | – | 1,308 | (5,134) |
| Net earnings attributable to shareholders of CGI Group Inc. | 362,386 | 316,466 | 293,132 |
| Non-controlling interest | | | |
| Net earnings attributable to non-controlling interest | 380 | 739 | 868 |
| Net earnings | 362,766 | 317,205 | 294,000 |
| Basic earnings (loss) per share attributable to shareholders of CGI Group Inc. | | | |
| Continuing operations (Note 13) | 1.27 | 1.03 | 0.94 |
| Discontinued operations | – | – | (0.02) |
| | 1.27 | 1.03 | 0.92 |
| Diluted earnings (loss) per share attributable to shareholders of CGI Group Inc. | | | |
| Continuing operations (Note 13) | 1.24 | 1.02 | 0.92 |
| Discontinued operations | – | – | (0.02) |
| | 1.24 | 1.02 | 0.90 |

See Notes to the consolidated financial statements.

Consolidated Statements of Comprehensive Income

| | 2010 | 2009 (Restated Note 2a) | 2008 (Restated Note 2a) |
|---|----------------|-------------------------------|-------------------------------|
| Years ended September 30 (in thousands of Canadian dollars) | | | |
| | \$ | \$ | \$ |
| Net earnings | 362,766 | 317,205 | 294,000 |
| Net unrealized (losses) gains on translating financial statements of self-sustaining foreign operations (net of income taxes) | (53,598) | 6,249 | 66,200 |
| Net unrealized gains (losses) on translating long-term debt designated as hedges of net investments in self-sustaining foreign operations (net of income taxes) | 15,806 | 15,739 | (538) |
| Net unrealized gains (losses) on cash flow hedges (net of income taxes) | 2,036 | 13,446 | (1,013) |
| Other comprehensive (loss) income (Note 15) | (35,756) | 35,434 | 64,649 |
| Comprehensive income | 327,010 | 352,639 | 358,649 |
| Attributable to: | | | |
| Shareholders of CGI Group Inc. | 326,630 | 351,900 | 357,781 |
| Non-controlling interest | 380 | 739 | 868 |

See Notes to the consolidated financial statements.

Consolidated Statements of Retained Earnings

| | 2010 | 2009 (Restated Note 2a) | 2008 (Restated Note 2a) |
|---|------------------|-------------------------------|-------------------------------|
| Years ended September 30 (in thousands of Canadian dollars) | | | |
| | \$ | \$ | \$ |
| Retained earnings, beginning of year | 1,182,237 | 921,380 | 750,138 |
| Net earnings attributable to shareholders of CGI Group Inc. | 362,386 | 316,466 | 293,132 |
| Excess of purchase price over carrying value of Class A subordinate shares acquired (Note 11) | (347,940) | (55,609) | (121,890) |
| Change in subsidiary investment | (297) | – | – |
| Retained earnings, end of year | 1,196,386 | 1,182,237 | 921,380 |

See Notes to the consolidated financial statements.

Consolidated Balance Sheets

| | 2010 | 2009 (Restated Note 2a) |
|---|-----------|-------------------------------|
| As at September 30 (in thousands of Canadian dollars) | | |
| | \$ | \$ |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents (Note 3) | 127,824 | 343,427 |
| Short-term investments | 13,196 | – |
| Accounts receivable (Note 4) | 423,926 | 461,291 |
| Work in progress | 358,984 | 249,022 |
| Prepaid expenses and other current assets | 76,844 | 82,237 |
| Income taxes | 7,169 | 2,759 |
| Future income taxes (Note 16) | 16,509 | 15,110 |
| Total current assets before funds held for clients | 1,024,452 | 1,153,846 |
| Funds held for clients | 248,695 | 332,359 |
| Total current assets | 1,273,147 | 1,486,205 |
| Capital assets (Note 5) | 238,024 | 212,418 |
| Intangible assets (Note 6) | 516,754 | 455,775 |
| Other long-term assets (Note 7) | 42,261 | 60,558 |
| Future income taxes (Note 16) | 11,592 | 10,173 |
| Goodwill (Note 8) | 2,525,413 | 1,674,781 |
| | 4,607,191 | 3,899,910 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 304,376 | 306,826 |
| Accrued compensation | 191,486 | 165,981 |
| Deferred revenue | 145,793 | 136,135 |
| Income taxes | 86,877 | 88,002 |
| Future income taxes (Note 16) | 26,423 | 50,250 |
| Current portion of long-term debt (Note 10) | 114,577 | 17,702 |
| Total current liabilities before clients' funds obligations | 869,532 | 764,896 |
| Clients' funds obligations | 248,695 | 332,359 |
| Total current liabilities | 1,118,227 | 1,097,255 |
| Future income taxes (Note 16) | 170,683 | 171,697 |
| Long-term debt (Note 10) | 1,039,299 | 265,428 |
| Other long-term liabilities (Note 9) | 119,899 | 83,934 |
| | 2,448,108 | 1,618,314 |
| Commitments, contingencies and guarantees (Note 25) | | |
| Shareholders' equity | | |
| Retained earnings | 1,196,386 | 1,182,237 |
| Accumulated other comprehensive loss (Note 15) | (321,746) | (285,990) |
| | 874,640 | 896,247 |
| Capital stock (Note 11) | 1,195,069 | 1,298,270 |
| Contributed surplus (Note 12c) | 82,922 | 80,737 |
| Equity attributable to shareholders of CGI Group Inc. | 2,152,631 | 2,275,254 |
| Equity attributable to non-controlling interest | 6,452 | 6,342 |
| | 2,159,083 | 2,281,596 |
| | 4,607,191 | 3,899,910 |

See Notes to the consolidated financial statements.

Approved by the Board

/s/ V. W. Fi

Director

Michael E. Roach

/s/ V. W. Fi

Director

Serge Godin

Consolidated Statements of Cash Flows

| | 2010 | 2009 (Restated Note 2a) | 2008 (Restated Note 2a) |
|---|----------------|-------------------------------|-------------------------------|
| Years ended September 30 (in thousands of Canadian dollars) | | | |
| | \$ | \$ | \$ |
| Operating activities | | | |
| Earnings from continuing operations | 362,766 | 315,897 | 299,134 |
| Adjustments for: | | | |
| Amortization (Note 14) | 219,740 | 218,087 | 186,120 |
| Future income taxes (Note 16) | (21,417) | 29,300 | (22,675) |
| Foreign exchange (gain) loss | (828) | 723 | 1,846 |
| Stock-based compensation (Note 12a) | 15,517 | 8,617 | 5,131 |
| Gain on sale of capital assets | (469) | — | — |
| Net change in non-cash working capital items (Note 21a) | (22,942) | 57,620 | (113,886) |
| Cash provided by continuing operating activities | 552,367 | 630,244 | 355,670 |
| Investing activities | | | |
| Purchase of short-term investments | (12,940) | — | — |
| Business acquisitions (net of cash acquired) (Note 18) | (899,564) | (997) | (3,911) |
| Proceeds from sale of assets and businesses (net of cash disposed) | 4,100 | 4,991 | 29,238 |
| Purchase of capital assets | (47,684) | (69,212) | (60,983) |
| Proceeds from disposal of capital assets | 896 | — | — |
| Additions to intangible assets | (69,722) | (62,367) | (60,942) |
| Decrease in other long-term assets | — | — | 3,019 |
| Cash used in continuing investing activities | (1,024,914) | (127,585) | (93,579) |
| Financing activities | | | |
| Use of credit facilities | 939,394 | 144,694 | 90,305 |
| Repayment of credit facilities | (82,684) | (157,505) | (196,533) |
| Repayment of long-term debt | (125,168) | (117,752) | (10,153) |
| Proceeds on settlement of forward contracts (Note 10) | — | 18,318 | — |
| Repurchase of Class A subordinate shares (including share repurchase costs) | (516,699) | (101,698) | (216,208) |
| Issuance of shares | 53,039 | 16,141 | 32,423 |
| Change in subsidiary investment | (571) | (425) | — |
| Cash provided by (used in) continuing financing activities | 267,311 | (198,227) | (300,166) |
| Effect of foreign exchange rate changes on cash and cash equivalents from continuing operations | (10,367) | (11,300) | 398 |
| Net (decrease) increase in cash and cash equivalents from continuing operations | (215,603) | 293,132 | (37,677) |
| Net cash and cash equivalents provided by (used in) discontinued operations (Note 19) | — | 161 | (1,068) |
| Cash and cash equivalents, beginning of year | 343,427 | 50,134 | 88,879 |
| Cash and cash equivalents, end of year (Note 3) | 127,824 | 343,427 | 50,134 |

Supplementary cash flow information (Note 21)
See Notes to the consolidated financial statements.