

Driving value from the fundamentals

We are passionate about building and operating a sound and growing business for the long term because it generates great opportunities for all of our stakeholders. For 33 years, we've maintained best practices in managing and measuring how we create long-term value, resulting in consistent performance, no matter the economic environment.



This consistent performance is due to our unwavering commitment to operating under the fundamentals that enable our stakeholders' success.

To achieve equilibrium among CGI's three stakeholders—our clients, professionals (whom we call members) and shareholders—we repeatedly measure and manage the satisfaction of each to continually meet and exceed their expectations while building toward a better future.

Fiscal 2009 provided clear evidence of the results that are achieved from this steadfast focus on the fundamentals. From reaching a CGI milestone of \$1 billion of revenue in a single quarter to generating \$630 million in cash from operations during fiscal 2009 and finishing the year with a strong balance sheet, we continue to do what's required to have the upmost financial stability and flexibility to help all of CGI's stakeholders win, grow and prosper.

For clients, a passion for excellence in execution

Clients are under enormous pressure in this economy; every investment spent must help them achieve their business objectives. CGI's track record of performance gives clients confidence that they are directing their business to a company that is solid today and will remain solid into the future. In the services business, financial strength and stability is essential to compete, and service excellence is paramount to success.

At CGI, we do mission-critical work for our clients. From delivering transformational projects that result in new business efficiencies to running back-end operations, we provide clients with essential *value-based services*. As clients sought to cut costs during this challenging economy, CGI unveiled a program called "Solutions for Tough Economic Times," which included a portfolio of core offerings. This program was designed to produce the quick business return on investment clients need to deal immediately and directly with budget reductions or deficits and increased expenses.

Our *quality commitment* has resulted in a highly reliable on-time, on-budget delivery record, enabling us to achieve value for every investment clients entrust to us and build a growing roster of CGI clients. In 2009, we scored an average 8.9 out of 10 client satisfaction rating based on more than 2,400 signed client assessments—and a 9.0 ranking for client loyalty, whereby clients say they will continue to use and recommend CGI's services to others, which is essential to growth in the services business.

This year we expanded our footprint with existing clients and added new clients with global brands due to our *full offering strategy*, which encompasses CGI's portfolio of end-to-end IT services. Businesses and governments depend on technology investments to meet the growing needs of their clients and citizens. As more clients turn to outsourcing to increase value to their business and improve productivity during this recession, our model is proven: We are results oriented. We combine quality

and price while assuming the responsibility and risk for service delivery. Rather than paying for inputs, clients benefit from business outcomes delivered by CGI.

Key to all of these delivery fundamentals is CGI's *local and global delivery* model. With 107 offices worldwide, CGI adheres to the belief that a highly responsive and accountable local presence is critical to client success. CGI's geographic footprint represents more than 75% of the world's IT spend, focusing our operations on the most strategic areas.

Through CGI's client proximity model, we serve as clients' on-the-ground and accountable partner knowing how to add true value. This local presence is combined with a balanced global delivery network of onshore, nearshore and offshore centers of excellence. This year we expanded this network to 15, adding centers in Hyderabad, India, and Troy, Alabama.

For members, a passion for living by the CGI dream

Our members are united and driven by the CGI dream on which we were founded: **To create an environment in which we enjoy working together and, as owners, contribute to building a company we can be proud of.** This dream forms the DNA of our company and drives the transparency and accountability of our culture.

Through our ISO 9001:2004-certified operations that apply the CGI Management Foundation, we pursue this dream through key strategies and processes that define and guide the management of CGI and the management of our stakeholder relationships. The CGI Management Foundation reflects our collective experience and has been developed to make our actions as effective as possible. In addition, many members and centers of excellence have achieved and execute leading industry certifications, such as ITIL and top CMMI levels, to provide clients with high-value, cost-effective IT services that benefit their top and bottom lines. This operational and delivery rigor is a result of our members'

essential goal: to provide high-quality services adapted to clients' needs.

In 2009, CGI achieved the highest member satisfaction ranking we've recorded through CGI's Member Satisfaction Assessment Process. As part of this assessment, year after year, members cite the satisfaction of clients as key to their own satisfaction. This commitment to clients is evidenced by one of the lowest turnover rates in the industry, which provides needed stability and competitive advantage for our clients and for CGI, enabling us to deliver service excellence around the globe. In addition, an astounding 86% of members are shareholders, representing the largest ownership block of CGI. Based on their daily contact with clients and as shareholders of the company, our members provide regular input into our strategic planning processes. According to this year's annual consultation, 88% of members believe that, as owners, they play a role in improving CGI's business. Clearly CGI's members are empowered to create and execute the plans that make CGI a partner, employer and investment of choice.

We understand that success in the services business is contingent on retaining and attracting the best talent. At CGI, our extraordinary team of 26,000 professionals is dedicated to serving clients with the utmost skill and quality work.

For shareholders, a passion for running a competitive, financially strong business

With the quality work of our members comes more work. And with more work comes a growing backlog of recurring and predictable revenue. With CGI's strong balance sheet and net cash position, we are pleased with the results we are generating, even in a challenging economy.

- Revenue increased by 3.2% to \$3.8 billion
- New contract bookings were \$4.1 billion, or 106% of revenue
- Adjusted EBIT was up 7% to \$460.7 million, or 12% of revenue

- Earnings from continuing operations were up 5.7% to \$315.2 million, or 8.2% of revenue
- Earnings per share (diluted) were up 13.3% to \$1.02
- \$630.2 million in cash was generated from operating activities, or \$2.03 per share
- Return on invested capital was 14.0%
- \$100 million was invested to buy back more than 9.5 million shares
- Share price increased by nearly 35% year-over-year, adding close to \$1 billion in market capitalization

Our ability to generate significant and consistent cash flow provides an additional layer of comfort to investors and is attracting new ones. This is due to adhering to the fundamentals of operational and delivery excellence, and to our ability to execute our Build and Buy growth strategy.

On the Build side, we demonstrated our ability to grow organically, particularly in the prime U.S. market where we recorded revenue growth of 25.3%, or 8.5% on a constant currency basis. We increased our roster of brand name clients and secured new strategic contracts—each of which provides the opportunity to add new follow-on business.

On the Buy side, we continue to look for the right target at the right price at the right time—all necessary ingredients to moving forward with any acquisition. We remain vigilant in looking for the right opportunities to make financially sound investments that are accretive to EPS in year one. As our track record of successful acquisitions demonstrates, economies of culture are as important as economies of scale.

In fiscal 2009, we strengthened the balance sheet to a net cash position while profitably growing the business, and generated solid performance—among the strongest in the industry. We remain confident in CGI's growth strategy and

have the financial flexibility to create additional and continuous shareholder value.

To all our stakeholders, thank you for your trust

As a result of our focus on the fundamentals, clients have confidence that they are dealing with a partner that can fulfill long-term commitments; members have confidence in working for a financially strong company, allowing them to fully focus on satisfying their clients; and investors have confidence that we can execute our profitable growth plan, increasing the value of their investment over time.

To our clients, thank you for your partnership; we are committed to helping you win and grow.

To our members, thank you for your dedication; we are committed to providing you with stimulating and rewarding careers.

To our shareholders, thank you for your investment; we are committed to offering you superior returns over time.

Finally, we thank members of the Board of Directors for their advice and dedication, and thank departing members Claude Chamberland, Gerald T. Squire and Robert Tessier for their years of service and wish them the best for the future.

At CGI, we are driven to succeed to benefit all of our stakeholders by executing the fundamentals. This is the way we do business and this is our promise to you.



Serge Godin
Founder and
Executive Chairman of the Board



Michael E. Roach
President and
Chief Executive Officer