

Consolidated Financial Statements

Consolidated Statements of Earnings

Years ended September 30 (in thousands of Canadian dollars, except share data)	2009	2008 (Restated Note 2a)	2007 (Restated Note 2a)
	\$	\$	\$
Revenue	3,825,161	3,705,863	3,633,945
Operating expenses			
Costs of services, selling and administrative (Note 18)	3,170,406	3,110,760	3,050,782
Amortization (Note 14)	195,761	163,172	173,221
Restructuring costs related to specific items (Note 16)	—	—	23,010
Interest on long-term debt	18,960	27,284	41,818
Interest income	(2,908)	(5,570)	(9,451)
Other expenses	3,569	3,341	398
Foreign exchange (gain) loss	(1,747)	1,445	3,457
Gain on sale of assets	—	—	(700)
	3,384,041	3,300,432	3,282,535
Earnings from continuing operations before income taxes and non-controlling interest	441,120	405,431	351,410
Income tax expense (Note 17)	125,223	106,297	115,608
Non-controlling interest, net of income taxes	739	868	251
Earnings from continuing operations	315,158	298,266	235,551
Earnings (loss) from discontinued operations, net of income taxes (Note 20)	1,308	(5,134)	1,743
Net earnings	316,466	293,132	237,294
Basic earnings (loss) per share			
Continuing operations (Note 13)	1.03	0.94	0.71
Discontinued operations	—	(0.02)	0.01
	1.03	0.92	0.72
Diluted earnings (loss) per share			
Continuing operations (Note 13)	1.02	0.92	0.70
Discontinued operations	—	(0.02)	0.01
	1.02	0.90	0.71

See Notes to the consolidated financial statements.

Consolidated Statements of Comprehensive Income

Years ended September 30 (in thousands of Canadian dollars)	2009	2008 (Restated Note 2a)	2007 (Restated Note 2a)
	\$	\$	\$
Net earnings	316,466	293,132	237,294
Net unrealized gains (losses) on translating financial statements of self-sustaining foreign operations (net of income taxes)	6,249	66,200	(116,040)
Net unrealized gains (losses) on translating long-term debt designated as hedges of net investments in self-sustaining foreign operations (net of income taxes)	15,739	(538)	19,190
Net unrealized gains (losses) on cash flow hedges (net of income taxes)	13,446	(1,013)	–
Other comprehensive income (loss) (Note 15)	35,434	64,649	(96,850)
Comprehensive income	351,900	357,781	140,444

See Notes to the consolidated financial statements.

Consolidated Statements of Retained Earnings

Years ended September 30 (in thousands of Canadian dollars)	2009	2008	2007
	\$	\$	\$
Retained earnings, beginning of year, as previously reported	923,721	752,847	587,201
Change in accounting policy (Note 2a)	(2,341)	(2,709)	(3,601)
Retained earnings, beginning of year, as restated	921,380	750,138	583,600
Net earnings	316,466	293,132	237,294
Excess of purchase price over carrying value of Class A subordinate shares acquired (Note 11)	(55,609)	(121,890)	(70,756)
Retained earnings, end of year	1,182,237	921,380	750,138

See Notes to the consolidated financial statements.

Consolidated Balance Sheets

As at September 30 (in thousands of Canadian dollars)	2009	2008 (Restated Note 2a)
	\$	\$
Assets		
Current assets		
Cash and cash equivalents (Note 3)	343,427	50,134
Accounts receivable (Note 4)	461,291	487,563
Work in progress	249,022	228,510
Prepaid expenses and other current assets	82,237	82,992
Income taxes	2,759	4,189
Future income taxes (Note 17)	15,110	34,031
Assets held for sale (Note 20)	–	1,398
	1,153,846	888,817
Capital assets (Note 5)	212,418	178,435
Intangible assets (Note 6)	455,775	539,897
Other long-term assets (Note 7)	60,558	45,677
Future income taxes (Note 17)	10,173	7,747
Goodwill (Note 8)	1,674,781	1,689,362
Total assets before funds held for clients	3,567,551	3,349,935
Funds held for clients	332,359	330,623
	3,899,910	3,680,558
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	306,826	339,765
Accrued compensation	165,981	127,151
Deferred revenue	136,135	133,688
Income taxes	88,002	79,260
Future income taxes (Note 17)	50,250	25,529
Current portion of long-term debt (Note 10)	17,702	100,917
Liabilities held for sale (Note 20)	–	657
	764,896	806,967
Future income taxes (Note 17)	171,697	183,612
Long-term debt (Note 10)	265,428	290,174
Non-controlling interest	6,342	5,922
Other long-term liabilities (Note 9)	83,934	66,259
Total liabilities before clients' funds obligations	1,292,297	1,352,934
Clients' funds obligations	332,359	330,623
	1,624,656	1,683,557
Commitments, contingencies and guarantees (Note 26)		
Shareholders' equity		
Retained earnings	1,182,237	921,380
Accumulated other comprehensive loss (Note 15)	(285,990)	(321,424)
	896,247	599,956
Capital stock (Note 11)	1,298,270	1,319,672
Contributed surplus (Note 12b)	80,737	77,373
	2,275,254	1,997,001
	3,899,910	3,680,558

See Notes to the consolidated financial statements.

Approved by the Board


 Director
 Michael E. Roach


 Director
 Serge Godin

Consolidated Statements of Cash Flows

Years ended September 30 (in thousands of Canadian dollars)	2009	2008 (Restated Note 2a)	2007 (Restated Note 2a)
	\$	\$	\$
Operating activities			
Earnings from continuing operations	315,158	298,266	235,551
Adjustments for:			
Amortization (Note 14)	218,087	186,120	196,527
Future income taxes (Note 17)	29,300	(22,675)	10,470
Foreign exchange loss	723	1,846	3,833
Stock-based compensation (Note 12a)	8,617	5,131	13,933
Gain on sale of assets	–	–	(700)
Non-controlling interest, net of income taxes	739	868	251
Net change in non-cash working capital items (Note 22a)	57,620	(113,886)	84,250
Cash provided by continuing operating activities	630,244	355,670	544,115
Investing activities			
Business acquisitions (net of cash acquired) (Note 19)	(1,422)	(3,911)	(17,298)
Proceeds from sale of assets and businesses (net of cash disposed)	4,991	29,238	–
Purchase of capital assets	(69,212)	(60,983)	(50,967)
Proceeds from disposal of capital assets	–	–	1,371
Additions to intangible assets	(62,367)	(60,942)	(87,852)
Decrease in other long-term assets	–	3,019	908
Cash used in continuing investing activities	(128,010)	(93,579)	(153,838)
Financing activities			
Use of credit facilities	144,694	90,305	30,113
Repayment of credit facilities	(157,505)	(196,533)	(353,643)
Repayment of long-term debt	(117,752)	(10,153)	(7,466)
Proceeds on settlement of forward contracts (Note 10)	18,318	–	–
Repurchase of Class A subordinate shares (net of share repurchase costs) (Note 11)	(101,698)	(216,208)	(128,541)
Issuance of shares (Note 11)	16,141	32,423	42,744
Cash used in continuing financing activities	(197,802)	(300,166)	(416,793)
Effect of foreign exchange rate changes on cash and cash equivalents from continuing operations	(11,300)	398	(3,962)
Net increase (decrease) in cash and cash equivalents from continuing operations	293,132	(37,677)	(30,478)
Net cash and cash equivalents provided by (used in) discontinued operations (Note 20)	161	(1,068)	3,628
Cash and cash equivalents, beginning of year	50,134	88,879	115,729
Cash and cash equivalents, end of year (Note 3)	343,427	50,134	88,879

Supplementary cash flow information (Note 22)

See Notes to the consolidated financial statements.