Condensed Consolidated Financial Statements of

CGI GROUP INC.

For the three and nine months ended June 30, 2012 and 2011
(unaudited)

Condensed Consolidated Statements of Earnings

For the three and nine months ended June 30

(in thousands of Canadian dollars, except share data) (unaudited)

	Three months ended June 30		Nine months ended June 30	
	2012	2011	**2012**	2011
	$	$	**$**	$
Revenue	**1,064,863**	1,012,845	**3,162,793**	3,218,275
Operating expenses				
Costs of services, selling and administrative	**928,268**	874,087	**2,731,485**	2,773,467
Acquisition-related and integration costs (Note 13)	**6,653**	545	**6,653**	3,675
Finance costs	**9,432**	4,249	**24,198**	15,263
Finance income	**(604)**	(396)	**(1,608)**	(2,926)
Other income	**-**	(6,045)	**(5,646)**	(6,045)
Foreign exchange loss (gain)	**342**	(431)	**(1,281)**	(2,942)
Share of profit on joint venture	**-**	(3,577)	**(3,996)**	(9,172)
	944,091	868,432	**2,749,805**	2,771,320
Earnings before income taxes	**120,772**	144,413	**412,988**	446,955
Income tax expense	**33,544**	21,210	**113,491**	78,352
Net earnings	**87,228**	123,203	**299,497**	368,603
Earnings per share (Note 6C))				
Basic earnings per share	**0.34**	0.47	**1.16**	1.38
Diluted earnings per share	**0.33**	0.45	**1.12**	1.33

Condensed Consolidated Statements of Comprehensive Income

For the three and nine months ended June 30
(in thousands of Canadian dollars) (unaudited)

	Three months ended June 30		Nine months ended June 30	
	2012	2011	**2012**	2011
	$	$	**$**	$
Net earnings	**87,228**	123,203	**299,497**	368,603
Net unrealized gains (losses) on translating financial statements of foreign operations (net of income taxes)	**25,226**	(9,483)	**(44,808)**	(103,298)
Net unrealized (losses) gains on translating long-term debt designated as hedges of net investments in foreign operations (net of income taxes)	**(12,210)**	4,617	**15,698**	49,883
Net unrealized losses on cash flow hedges (net of income taxes)	**(6,525)**	(909)	**(12,779)**	(2,379)
Net unrealized gains on investments available for sale (net of income taxes)	**333**	1,351	**133**	1,430
Other comprehensive income (loss)	**6,824**	(4,424)	**(41,756)**	(54,364)
Comprehensive income	**94,052**	118,779	**257,741**	314,239

Condensed Consolidated Balance Sheets

(in thousands of Canadian dollars) (unaudited)

	As at June 30, 2012	As at September 30, 2011
	$	$
Assets		
Current assets		
Cash and cash equivalents (Note 4)	**77,418**	136,211
Short-term investments	**4,872**	10,166
Accounts receivable	**459,721**	490,484
Work in progress	**443,826**	391,066
Prepaid expenses and other current assets	**117,169**	100,407
Income taxes	**4,344**	4,252
Total current assets before funds held for clients	**1,107,350**	1,132,586
Funds held for clients	**228,466**	247,622
Total current assets	**1,335,816**	1,380,208
Property, plant and equipment	**268,444**	249,901
Contract costs	**101,949**	107,242
Intangible assets	**267,307**	292,133
Other long-term assets	**58,044**	55,593
Deferred tax assets	**16,327**	9,882
Investment in joint venture (Note 9)	**-**	26,373
Goodwill	**2,502,497**	2,536,022
	4,550,384	4,657,354
Liabilities		
Current liabilities		
Bank overdraft (Note 4)	**-**	75,538
Accounts payable and accrued liabilities	**358,396**	303,641
Accrued compensation	**159,520**	183,842
Deferred revenue	**149,160**	152,938
Income taxes	**65,911**	51,822
Provisions	**11,901**	12,125
Current portion of long-term debt	**47,644**	896,012
Total current liabilities before clients' funds obligations	**792,532**	1,675,918
Clients' funds obligations	**225,194**	244,660
Total current liabilities	**1,017,726**	1,920,578
Deferred tax liabilities	**139,710**	149,394
Long-term provisions	**20,398**	27,672
Long-term debt	**681,106**	109,669
Other long-term liabilities	**153,429**	100,810
	2,012,369	2,308,123
Equity		
Retained earnings	**1,281,194**	1,057,599
Accumulated other comprehensive (loss) income (Note 8)	**(27,184)**	14,572
Capital stock (Note 6A))	**1,180,323**	1,178,559
Contributed surplus	**103,682**	98,501
	2,538,015	2,349,231
	4,550,384	4,657,354

Condensed Consolidated Statements of Changes in Equity

For the nine months ended June 30
(in thousands of Canadian dollars) (unaudited)

	Retained earnings	Accumulated other comprehensive (loss) income	Capital stock	Contributed surplus	Total equity
	$	$	$	$	$
Balance as at September 30, 2011	1,057,599	14,572	1,178,559	98,501	2,349,231
Net earnings for the period	299,497	-	-	-	299,497
Other comprehensive loss for the period	-	(41,756)	-	-	(41,756)
	1,357,096	(27,184)	1,178,559	98,501	2,606,972
Share-based payment costs	-	-	-	6,293	6,293
Income tax impact associated with stock options	-	-	-	8,902	8,902
Exercise of stock options (Note 6A))	-	-	41,841	(10,067)	31,774
Repurchase of Class A subordinate shares (Note 6A))	(75,902)	-	(26,943)	-	(102,845)
Purchase of Class A subordinate shares held in trust (Note 6A))	-	-	(14,252)	-	(14,252)
Sale of Class A subordinate shares held in trust (Note 6A))	-	-	1,118	53	1,171
Balance as at June 30, 2012	**1,281,194**	**(27,184)**	**1,180,323**	**103,682**	**2,538,015**

	Retained earnings	Accumulated other comprehensive (loss) income	Capital stock	Contributed surplus	Total equity
	$	$	$	$	$
Balance as at October 1, 2010	845,290	14,469	1,195,069	94,407	2,149,235
Net earnings for the period	368,603	-	-	-	368,603
Other comprehensive loss for the period	-	(54,364)	-	-	(54,364)
	1,213,893	(39,895)	1,195,069	94,407	2,463,474
Share-based payment costs	-	-	-	12,527	12,527
Income tax impact associated with stock options	-	-	-	7,026	7,026
Exercise of stock options	-	-	55,197	(12,023)	43,174
Repurchase of Class A subordinate shares	(177,799)	-	(63,481)	-	(241,280)
Purchase of Class A subordinate shares held in trust	-	-	(2,566)	-	(2,566)
Change in subsidiary investment	(811)	-	-	-	(811)
Balance as at June 30, 2011	1,035,283	(39,895)	1,184,219	101,937	2,281,544

Condensed Consolidated Statements of Cash Flows

For the three and nine months ended June 30
(tabular amounts only are in thousands of Canadian dollars) (unaudited)

	Three months ended June 30		Nine months ended June 30	
	2012	2011	**2012**	2011
	$	$	**$**	$
Operating activities				
Net earnings	**87,228**	123,203	**299,497**	368,603
Adjustments for:				
Amortization and depreciation (Note 7)	**52,154**	50,221	**152,855**	157,960
Share of profit on joint venture	**-**	(3,577)	**(3,996)**	(9,172)
Deferred income taxes	**(6,050)**	(26,330)	**(1,017)**	(15,950)
Foreign exchange loss (gain)	**1,008**	1,300	**11**	(1,035)
Share-based payment costs	**1,899**	4,134	**6,293**	12,527
Gain on sale of investment in joint venture (Note 9)	**-**	-	**(2,981)**	-
Gain on sale of business	**-**	(3,655)	**-**	(3,655)
Dividend received from joint venture	**-**	4,900	**7,350**	9,800
Net change in non-cash working capital items	**114,746**	(57,044)	**45,904**	(135,687)
Cash provided by operating activities	**250,985**	93,152	**503,916**	383,391
Investing activities				
Net change in short-term investments	**654**	4,542	**4,124**	8,112
Proceeds from sale of investment in joint venture (Note 9)	**-**	-	**26,000**	-
Proceeds from sale of business	**3,669**	3,187	**4,585**	3,187
Purchase of call options related to proposed acquisition (Note 13)	**(7,146)**	-	**(7,146)**	-
Purchase of property, plant and equipment	**(36,547)**	(11,752)	**(61,930)**	(51,408)
Additions to contract costs	**(6,181)**	(4,602)	**(20,523)**	(22,913)
Additions to intangible assets	**(10,585)**	(6,568)	**(29,749)**	(21,987)
Additions to other long-term assets	**(2,840)**	(1,288)	**(3,794)**	(1,288)
Purchase of long-term investments	**(2,577)**	(926)	**(2,577)**	(11,934)
Proceeds from sale of long-term investments	**4,655**	-	**4,655**	-
Payment received from finance leases receivable	**2,275**	-	**2,912**	-
Cash used in investing activities	**(54,623)**	(17,407)	**(83,443)**	(98,231)
Financing activities				
Net change in credit facilities	**(170,034)**	(65,509)	**(778,757)**	(62,722)
Increase of long-term debt	**-**	-	**490,382**	-
Repayment of long-term debt	**(11,232)**	(11,870)	**(31,310)**	(121,046)
Payment on settlement of forward contracts	**-**	-	**-**	(1,275)
Purchase of Class A subordinate shares held in trust (Note 6A))	**-**	-	**(14,252)**	(2,566)
Sale of Class A subordinate shares held in a trust	**-**	-	**1,171**	-
Repurchase of Class A subordinate shares (Note 6A))	**(9,431)**	(57,350)	**(102,845)**	(241,280)
Issuance of Class A subordinate shares	**7,470**	10,431	**31,801**	42,781
Change in subsidiary investment	**-**	(811)	**-**	(811)
Cash used in financing activities	**(183,227)**	(125,109)	**(403,810)**	(386,919)
Effect of foreign exchange rate changes on cash and cash equivalents	**(41)**	75	**82**	1,484
Net increase (decrease) in cash and cash equivalents and bank overdraft	**13,094**	(49,289)	**16,745**	(100,275)
Cash and cash equivalents net of bank overdraft, beginning of period	**64,324**	57,543	**60,673**	108,529
Cash and cash equivalents, end of period (Note 4)	**77,418**	8,254	**77,418**	8,254
The following amounts are classified within operating activities:				
Interest paid	**14,572**	3,460	**21,461**	13,840
Interest received	**586**	413	**1,710**	2,963
Income taxes paid	**18,415**	24,450	**82,989**	110,115

NON-CASH TRANSACTIONS

Significant non-cash transactions consisted of property, plant and equipment (“PP&E”) and intangible asset additions for a total amount of $6,799,000 and $40,288,000 for the three and nine months ended June 30, 2012, respectively ($18,730,000 and $51,172,000 for the three and nine months ended June 30, 2011, respectively).

Notes to the Condensed Consolidated Financial Statements

For the three and nine months ended June 30, 2012 and 2011
(tabular amounts only are in thousands of Canadian dollars, except share data) (unaudited)

1. Description of business

CGI Group Inc. (the "Company"), directly or through its subsidiaries, manages information technology services ("IT services") as well as business process services ("BPS") to help clients effectively realize their strategies and create added value. The Company's services include management of IT and business processes ("outsourcing"), systems integration and consulting including sale of software licenses. The Company was incorporated under Part IA of the Companies Act (Québec) and its shares are publicly traded. The executive and registered office of the Company is situated at 1130 Sherbrooke Street West, 7th floor, Montréal, Québec, H3A 2M8, Canada.

2. Basis of preparation

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), International Accounting Standard ("IAS") 34, "Interim Financial Reporting" and IFRS 1, "First-time Adoption of International Financial Reporting Standards", as issued by the International Accounting Standards Board ("IASB"). In addition, the interim condensed consolidated financial statements have been prepared in accordance with the accounting policies the Company expects to adopt in its annual consolidated financial statements for the year ending September 30, 2012, which were set out in Note 3 "Summary of significant accounting policies" in the Company's interim condensed consolidated financial statements for the three months ended December 31, 2011.

These interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended September 30, 2011, which were previously prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). However, Canadian GAAP differs in some areas from IFRS. The comparative figures presented were adjusted to reflect these adjustments. Reconciliations and descriptions of the effect of the transition from Canadian GAAP to IFRS on consolidated equity, earnings, comprehensive income and cash flows as at and for the three and nine months ended June 30, 2011 are provided in Note 14, "Transition to IFRS".

In addition, these interim condensed consolidated financial statements should be read in conjunction with the interim condensed consolidated financial statements of the Company for the three months ended December 31, 2011, which include reconciliations and descriptions of the effect of the transition from Canadian GAAP to IFRS on consolidated equity and balance sheets as at October 1, 2010 and September 30, 2011 and on consolidated earnings, comprehensive income and cash flows for the year ended September 30, 2011. The interim condensed consolidated financial statements for the three months ended December 31, 2011 also include certain disclosures that are required to be included in the annual financial statements prepared in accordance with IFRS that were not included in the Company's most recent annual consolidated financial statements.

The Company's unaudited interim condensed consolidated financial statements for the three and nine months ended June 30, 2012 and 2011 were authorized for issue by the Board of Directors on July 24, 2012.

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3. Summary of significant accounting policies

FUTURE ACCOUNTING STANDARD CHANGES

The following standards have been issued but are not yet effective:

- IFRS 9, “Financial Instruments”, covers the classification and measurement of financial assets and financial liabilities.
- IFRS 10, “Consolidated Financial Statements”, builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included in a company’s consolidated financial statements.
- IFRS 12, “Disclosure of Interests in Other Entities”, provides guidance on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles.
- IFRS 13, “Fair Value Measurement”, provides guidance on fair value measurements by providing a definition of fair value and a single source of fair value measurement and disclosure requirements.
- IAS 1, “Presentation of Financial Statements”, was amended to require grouping together items within the statement of comprehensive income that may be reclassified to the statement of income.
- IAS 19, “Employee Benefits”, was amended to adjust the calculation of the financing cost component of defined benefit plans and to enhance disclosure requirements.

Other than IFRS 9, the above standards are effective October 1, 2013, with earlier application permitted. IFRS 9 is effective October 1, 2015, also with earlier application permitted. The Company is currently evaluating the impact of these standards on its consolidated financial statements.

4. Cash and cash equivalents and bank overdraft

	As at June 30, 2012	As at September 30, 2011
	$	$
Cash	**46,970**	95,643
Cash equivalents	**30,448**	40,568
Cash and cash equivalents	**77,418**	136,211
Bank overdraft	**-**	(75,538)
	77,418	60,673

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5. Long-term debt

On December 7, 2011, the Company renewed its unsecured revolving credit facility of $1,500,000,000 for an additional five years, expiring in December 2016 and bearing interest at one month LIBOR plus a variable margin that is determined based on leverage ratios.

Additionally, on December 15, 2011, the Company drew down an amount of $491,008,000 (US$475,000,000) on a private placement financing with U.S. institutional investors. The private placement is comprised of three tranches of Senior U.S. unsecured notes, with a weighted average maturity of 8.2 years and a weighted average fixed coupon of 4.57%. With the proceeds of this private placement, the Company reimbursed an amount of $491,008,000 of the unsecured revolving term facility.

The outstanding balance of the unsecured revolving credit facility and this new private placement amounted to $74,056,000 and $484,073,000, respectively, as June 30, 2012 ($859,277,000 and nil, respectively, as at September 30, 2011).

6. Capital stock, share-based payments and earnings per share

A) CAPITAL STOCK

	Class A subordinate shares		Class B shares		Total	
	Number	Carrying value	Number	Carrying value	Number	Carrying value
		$		$		$
Balance as at September 30, 2011	227,055,040	1,131,672	33,608,159	46,887	260,663,199	1,178,559
Repurchased and cancelled[1]	(5,368,000)	(26,943)	-	-	(5,368,000)	(26,943)
Issued upon exercise of stock options[2]	3,413,120	41,841	-	-	3,413,120	41,841
Purchased and held in trust[3]	-	(14,252)	-	-	-	(14,252)
Sale of shares held in trust[4]	-	1,118	-	-	-	1,118
Balance as at June 30, 2012	**225,100,160**	**1,133,436**	**33,608,159**	**46,887**	**258,708,319**	**1,180,323**

1 On February 1, 2012, the Company's Board of Directors authorized the renewal of a Normal Course Issuer Bid ("NCIB") for the purchase of up to 22,064,163 Class A subordinate shares. During the nine months ended June 30, 2012, the Company repurchased 5,368,000 Class A subordinate shares for $102,845,000 under the previous and current NCIB. The excess of the purchase price over the carrying value of Class A subordinate shares repurchased, in the amount of $75,902,000, was charged to retained earnings.

2 The carrying value of Class A subordinate shares includes $10,067,000 which corresponds to a reduction in contributed surplus representing the value of accumulated compensation costs associated with the stock options exercised during the period.

3 The trustee, in accordance with the terms of the Performance Share Unit ("PSU") plan and a Trust Agreement, purchased 761,358 Class A subordinate shares of the Company on the open market for $14,252,000 during the nine months ended June 30, 2012. As at June 30, 2012, 863,866 Class A subordinate shares were held in trust under the PSU plan (Note 6B)).

4 During the nine months ended June 30, 2012, the trustee sold 61,504 Class A subordinate shares that were held in trust on the open market in accordance with the terms of the PSU plan. The excess of the proceeds over the carrying value of the Class A subordinate shares, in the amount of $53,000, resulted in an increase of contributed surplus.

(tabular amounts only are in thousands of Canadian dollars, except share data) (unaudited)

6. Capital stock, share-based payments and earnings per share (continued)

B) SHARE-BASED PAYMENTS

i) Stock options

Under the Company's stock option plan, the Board of Directors may grant, at its discretion, stock options to purchase Class A subordinate shares to certain employees, officers, directors and consultants of the Company and its subsidiaries. The exercise price is established by the Board of Directors and is equal to the closing price of the Class A subordinate shares on the Toronto Stock Exchange on the day preceding the date of the grant. Stock options generally vest over a period of four years from the date of grant conditionally upon achievement of objectives and must be exercised within a ten-year period, except in the event of retirement, termination of employment or death.

The following table presents information concerning all outstanding stock options granted by the Company:

	Number of stock options
Outstanding as at September 30, 2011	24,163,317
Granted	2,538,436
Exercised	(3,413,120)
Forfeited	(2,590,487)
Outstanding as at June 30, 2012	**20,698,146**

The fair value of stock options granted in the period and the assumptions used in the calculation of their fair value on the date of grant using the Black-Scholes option pricing model were as follows:

	Nine months ended June 30	
	2012	2011
Weighted average assumptions		
Grant date fair value ($)	**4.67**	4.31
Dividend yield (%)	**0.00**	0.00
Expected volatility (%)[1]	**27.64**	27.11
Risk-free interest rate (%)	**1.20**	1.99
Expected life (years)	**4.00**	5.00
Exercise price ($)	**19.72**	15.52
Share price ($)	**19.72**	15.52

[1] Expected volatility was determined using statistical formulas and based on the weekly historical average of closing daily share prices over the period of the expected life of stock option.

(tabular amounts only are in thousands of Canadian dollars, except share data) (unaudited)

6. Capital stock, share-based payments and earnings per share (continued)

B) SHARE-BASED PAYMENTS (CONTINUED)

ii) Performance share units

Under the PSU plan, the Board of Directors may grant PSUs to senior executives and other key employees ("participants") which entitle them to receive one Class A subordinate share for each PSU. The vesting performance conditions are determined by the Board of Directors at the time of each grant. PSUs expire on December 31 of the third calendar year following the end of the fiscal year during which the PSU award is made, except in the event of retirement, termination of employment or death. Granted PSUs vest annually over a period of four years from the date of grant conditionally upon achievement of objectives.

Class A subordinate shares purchased in connection with the PSU plan are held in trust for the benefit of the participants. The trust, considered as a special purpose entity, is consolidated in the Company's consolidated financial statements with the cost of the purchased shares recorded as a reduction of capital stock (Note 6A)).

The following table presents information concerning the number of outstanding PSUs granted by the Company:

Outstanding as at September 30, 2011	164,012
Granted [1]	761,358
Forfeited	(61,504)
Outstanding as at June 30, 2012	**863,866**

[1] The PSUs granted during the nine month period had a grant date fair value of $19.71 per unit.

(tabular amounts only are in thousands of Canadian dollars, except share data) (unaudited)

6. Capital stock, share-based payments and earnings per share (continued)

C) EARNINGS PER SHARE

The following tables set forth the computation of basic and diluted earnings per share for the three and nine months ended June 30:

						Three months ended June 30
			2012			2011
	Net earnings	**Weighted average number of shares outstanding[1]**	**Earnings per share**	Net earnings	Weighted average number of shares outstanding[1]	Earnings per share
	$		**$**	$		$
Basic	**87,228**	**257,604,856**	**0.34**	123,203	263,088,326	0.47
Dilutive stock options and PSUs[2]		**9,814,011**			11,284,865	
	87,228	**267,418,867**	**0.33**	123,203	274,373,191	0.45

						Nine months ended June 30
			2012			2011
	Net earnings	**Weighted average number of shares outstanding[1]**	**Earnings per share**	Net earnings	Weighted average number shares outstanding[1]	Earnings per share
	$		**$**	$		$
Basic	**299,497**	**258,108,850**	**1.16**	368,603	266,490,789	1.38
Dilutive stock options and PSUs[2]		**9,894,227**			10,463,308	
	299,497	**268,003,077**	**1.12**	368,603	276,954,097	1.33

[1] The 5,368,000 Class A subordinate shares repurchased during the nine months ended June 30, 2012 and 863,866 Class A subordinate shares held in trust (13,041,500 and 164,012, respectively, during the nine months ended June 30, 2011), were excluded from the calculation of weighted average number of shares outstanding as of the date of transaction.

[2] The calculation of the diluted earnings per share excluded 2,441,228 and 2,455,344 stock options for the three and nine months ended June 30, 2012 (15,000 and 6,427,338 for the three and nine months ended June 30, 2011, respectively), as they were anti-dilutive.

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7. Amortization and depreciation

	Three months ended June 30		Nine months ended June 30	
	2012	2011	**2012**	2011
	$	$	**$**	$
Depreciation of PP&E	**22,050**	18,188	**59,877**	56,053
Amortization of intangible assets	**20,852**	23,421	**65,890**	74,218
Amortization of contract costs related to transition costs	**6,478**	5,342	**18,487**	17,749
Included in costs of services, selling and administrative	**49,380**	46,951	**144,254**	148,020
Amortization of contract costs related to incentives (presented as a reduction of revenue)	**2,132**	2,560	**6,564**	8,112
Amortization of deferred financing fees (presented in finance costs)	**279**	321	**894**	964
Amortization of premiums and discounts on investments related to funds held for clients (presented net as a reduction of revenue)	**343**	389	**1,084**	864
Amortization of premiums and discounts on long-term investments (presented net in finance costs)	**20**	-	**59**	-
	52,154	50,221	**152,855**	157,960

8. Accumulated other comprehensive (loss) income

	As at June 30, 2012	As at September 30, 2011
	$	$
Net unrealized (losses) gains on translating financial statements of foreign operations (net of accumulated income tax recovery of $1,032 as at June 30, 2012 and net of accumulated income tax expense of $1,977 as at September 30, 2011)	**(32,533)**	12,275
Net unrealized gains (losses) on translating long-term debt designated as hedges of net investments in foreign operations (net of accumulated income tax expense of $1,738 as at June 30, 2012 and net of accumulated income tax recovery of $1,086 as at September 30, 2011)	**11,003**	(4,695)
Net unrealized (losses) gains on cash flow hedges (net of accumulated income tax recovery of $4,164 as at June 30, 2012 and net of income tax expenses of $1,457 as at September 30, 2011)	**(7,507)**	5,272
Net unrealized actuarial losses (net of income tax recovery of $217 as at June 30, 2012 and as at September 30, 2011)	**(632)**	(632)
Net unrealized gains on investments available for sale (net of accumulated income tax expense of $942 as at June 30, 2012 and $854 as at September 30, 2011)	**2,485**	2,352
	(27,184)	14,572

For the nine months ended June 30, 2012, $1,076,000 of the net unrealized gains previously recognized in other comprehensive income (loss) (net of income taxes of $33,000) were reclassified to net earnings for derivatives designated as cash flow hedges.

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9. Disposal of joint venture

During the nine months ended June 30, 2012, the Company sold its 49% interest in Innovapost Inc. and received a related consideration of $26,000,000. The Company recorded a gain of $2,981,000 relating to the disposal within other income. Following this transaction, the Company no longer has an interest in any joint venture.

10. Segmented information

In the prior year, management regularly reviewed the Company's operating results through four operating segments, namely: U.S. & India, Canada, Global Infrastructure Services ("GIS") and Europe & Asia Pacific. As a result of changes to the management reporting structure in the current year, the Company is now managed through the following four operating segments: U.S., Canada, GIS and Europe & Asia Pacific.

The GIS operating segment incorporates all services provided to clients globally for the management of their technology infrastructure. The other operating segments are based on the Company's geographic delivery model: U.S., Canada and Europe & Asia Pacific, which include their respective utilization of India's delivery centers.

The following presents information on the Company's operations based on its current management structure. The Company has retrospectively revised the segmented information for the comparative periods to conform to the new segmented information structure.

					Three months ended June 30, 2012
	U.S.	**Canada**	**GIS**	**Europe & Asia Pacific**	**Total**
	$	**$**	**$**	**$**	**$**
Segment revenue	**558,177**	**434,586**	**171,346**	**63,654**	**1,227,763**
Intersegment revenue elimination	**(25,496)**	**(124,283)**	**(2,266)**	**(10,855)**	**(162,900)**
Revenue	**532,681**	**310,303**	**169,080**	**52,799**	**1,064,863**
Earnings before acquisition-related and integration costs, finance costs, finance income, and income tax expense [1]	**60,304**	**63,465**	**10,050**	**2,434**	**136,253**
Acquisition-related and integration costs					**(6,653)**
Finance costs					**(9,432)**
Finance income					**604**
Earnings before income taxes					**120,772**

[1] Amortization and depreciation included in the U.S., Canada, GIS and Europe & Asia Pacific operating segments is $20,334,000, $11,405,000, $19,063,000 and $1,053,000 respectively, for the three months ended June 30, 2012.

(tabular amounts only are in thousands of Canadian dollars, except share data) (unaudited)

10. Segmented information (continued)

Three months ended June 30, 2011	U.S.	Canada	GIS	Europe & Asia Pacific	Total
	$	$	$	$	$
Segment revenue	481,246	430,357	201,769	68,590	1,181,962
Intersegment revenue elimination	(31,367)	(121,386)	(4,924)	(11,440)	(169,117)
Revenue	449,879	308,971	196,845	57,150	1,012,845
Earnings before acquisition-related and integration costs, finance costs, finance income, other income, share of profit on joint venture and income tax expense [1]	38,220	70,316	30,006	647	139,189
Acquisition-related and integration costs					(545)
Finance costs					(4,249)
Finance income					396
Other income					6,045
Share of profit on joint venture					3,577
Earnings before income taxes					144,413

[1] Amortization and depreciation included in the U.S., Canada, GIS and Europe & Asia Pacific operating segments is $19,650,000, $10,619,000, $18,572,000 and $1,059,000, respectively, for the three months ended June 30, 2011.

Nine months ended June 30, 2012	**U.S.**	**Canada**	**GIS**	**Europe & Asia Pacific**	**Total**
	$	**$**	**$**	**$**	**$**
Segment revenue	**1,629,169**	**1,314,464**	**526,750**	**195,754**	**3,666,137**
Intersegment revenue elimination	**(84,653)**	**(381,071)**	**(6,627)**	**(30,993)**	**(503,344)**
Revenue	**1,544,516**	**933,393**	**520,123**	**164,761**	**3,162,793**
Earnings before acquisition-related and integration costs, finance costs, finance income, other income, share of profit on joint venture and income tax expense [1]	**175,721**	**205,000**	**42,068**	**9,800**	**432,589**
Acquisition-related and integration costs					**(6,653)**
Finance costs					**(24,198)**
Finance income					**1,608**
Other income					**5,646**
Share of profit on joint venture					**3,996**
Earnings before income taxes					**412,988**

[1] Amortization and depreciation included in the U.S., Canada, GIS and Europe & Asia Pacific operating segments is $62,289,000, $29,755,000, $56,705,000 and $3,153,000, respectively, for the nine months ended June 30, 2012.

Nine months ended June 30, 2011	U.S.	Canada	GIS	Europe & Asia Pacific	Total
	$	$	$	$	$
Segment revenue	1,514,173	1,342,916	655,538	204,315	3,716,942
Intersegment revenue elimination	(94,821)	(356,670)	(12,120)	(35,056)	(498,667)
Revenue	1,419,352	986,246	643,418	169,259	3,218,275
Earnings before acquisition-related and integration costs, finance costs, finance income, other income, share of profit on joint venture and income tax expense [1]	136,029	206,246	99,907	5,568	447,750
Acquisition-related and integration costs					(3,675)
Finance costs					(15,263)
Finance income					2,926
Other income					6,045
Share of profit on joint venture					9,172
Earnings before income taxes					446,955

[1] Amortization and depreciation included in the U.S., Canada, GIS and Europe & Asia Pacific operating segments is $61,447,000, $31,833,000, $60,666,000 and $3,050,000, respectively, for the nine months ended June 30, 2011.

Intersegment revenue is priced as if the revenue was from third parties.

(tabular amounts only are in thousands of Canadian dollars, except share data) (unaudited)

11. Commitments

For the three months ended June 30, 2012, the Company reduced its operating lease commitments by $114,697,000 (net of sublease commitment of $37,338,000) due to the densification and optimization initiatives of real estate premises for which the Company expensed $5,313,000 recorded in costs of services, selling and administrative and to the purchase of a data centre facility previously leased.

12. Financial instruments

The following table summarizes the fair value of outstanding hedging instruments:

	Recorded in	**As at June 30, 2012** $	As at September 30, 2011 $
Hedges on net investments in foreign operations			
US$535,000 debt designated as the hedging instruments of the Company's net investment in U.S. operations (US$815,000 as at September 30, 2011)	Long-term debt	**545,219**	846,703
€10,000 debt designated as the hedging instrument of the Company's net investment in European operations (€9,000 as at September 30, 2011)	Long-term debt	**12,910**	12,574
Cash flow hedges on future revenue			
US$44,140 foreign currency forward contracts to hedge the variability in the expected foreign currency exchange rate between the U.S. dollar and the Canadian dollar (US$76,740 as at September 30, 2011)	Other current assets	**6,468**	6,497
	Other long-term assets	**1,761**	5,613
US$61,629 foreign currency forward contracts to hedge the variability in the expected foreign currency exchange rate between the U.S. dollar and the Indian rupee (US$45,000 as at September 30, 2011)	Other current assets	**-**	156
	Other long-term assets	**-**	1
	Accrued liabilities	**3,236**	-
	Other long-term liabilities	**4,722**	536
$67,935 foreign currency forward contracts to hedge the variability in the expected foreign currency exchange rate between the Canadian dollar and the Indian rupee ($62,220 as at September 30, 2011)	Accrued liabilities	**7,577**	2,560
	Other long-term liabilities	**4,099**	2,554
Cash flow hedges on Senior U.S. unsecured notes			
US$20,000 foreign currency forward contracts (US$20,000 as at September 30, 2011)	Other long-term assets	**235**	565

During the nine months ended June 30, 2012, the Company's hedging relationships were effective.

The Company expects that approximately $4,373,000 of the accumulated net unrealized loss on all derivative financial instruments designated as cash flow hedges as at June 30, 2012 will be reclassified to net earnings in the next 12 months.

During the nine months ended June 30, 2012, the Company began selling, without recourse, certain accounts receivable. Accounts receivable are derecognized as financial assets if the contractual rights to the cash flows from the financial asset expire or the asset is transferred and the transfer qualifies for derecognition.

13. Proposed acquisition

On May 31, 2012, the Company entered into an agreement for a proposed cash acquisition of Logica plc ('Logica'), a business and technology services company. Under the terms of the proposed acquisition, Logica shareholders will be entitled to receive $1.68 (105 pence) in cash per Logica ordinary share, for a total purchase price of approximately $2,717,000,000 (£1,700,000,000) for 100% ownership. The Company will also assume Logica's net debt, which was $515,000,000 (£322,000,000) at December 31, 2011.

The transaction, including the repayment of Logica's net debt, will be funded through a combination of sources. The Company has issued 46,707,146 subscription receipts exchangeable for new Class A subordinate voting shares of the Company at a pre-determined price of $21.41 to Caisse de dépôt et placement du Québec for a total consideration of $1,000,000,000. The exchange of subscription receipts for the issuance of the new equity is contingent upon the closing of the Logica transaction.

In addition, CGI signed a new term loan agreement of $1,990,000,000 (£1,245,000,000) with the drawdown contingent on the closing of the Logica transaction. The term loan is repayable in three annual installments beginning May 2014 bearing interest at one month LIBOR plus a variable margin that is determined based on leverage ratios. The remaining funding for the transaction will come from the Company's existing credit facilities.

In relation with the proposed acquisition, the Company purchased foreign exchange call options (nominal values of £670,250,000, €350,700,000 and US$235,000,000) for an amount of $7,146,000 in order to comply with the funds certain requirement under the UK *City Code on Takeovers and Mergers*. These derivatives are classified as fair value through earnings and therefore are measured at their fair values with gains and losses related to periodic revaluations recorded in the condensed consolidated statement of earnings.

During the three months ended June 30, 2012, the Company expensed $6,653,000 of acquisition-related costs which consist of professional fees and the fair value loss of the call options.

On July 16, 2012, the shareholders of Logica voted in favour of the acquisition of 100% of Logica's outstanding ordinary shares. On July 18, 2012, the European Commission granted its approval of the Logica transaction. The closing of the transaction is also subject to the sanction of the Court and the satisfaction or waiver of certain other conditions.

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14. Transition to IFRS

As discussed in Note 2, these interim condensed consolidated financial statements have been prepared in accordance with IFRS. IFRS 1 requires an entity to make an explicit and unreserved statement of compliance with IFRS in its first annual financial statements prepared under IFRS. The Company will accordingly make this statement in its 2012 annual consolidated financial statements.

IFRS 1 also requires that comparative financial information be provided. The first date at which IFRS was applied was October 1, 2010 ("Transition Date"). Descriptions of all applicable exemptions and exceptions upon IFRS adoption and the Company's elections were described in Note 13 "Transition to IFRS" in the interim condensed consolidated financial statements for the three months ended December 31, 2011, which also included reconciliations from Canadian GAAP to IFRS of consolidated equity, net earnings, comprehensive income and cash flows as at and for the three months ended December 31, 2010, the year ended September 30, 2011 and the Transition Date. The Company's elections to apply certain optional exemptions remain unchanged from the elections described in the Company's interim condensed consolidated financial statements for the three months ended December 31, 2011.

RECONCILIATIONS OF CANADIAN GAAP TO IFRS

As required by IFRS 1, the following represents reconciliations from Canadian GAAP to IFRS as at and for the three and nine months ended June 30, 2011 for consolidated equity, net earnings, comprehensive income and cash flows from the perspective of each adjustment. A discussion of the adjustments that impact these reconciliations, as well as consolidated statements of earnings for comparative periods for the three and nine months ended June 30, 2011, are presented further below.

Reconciliation of consolidated equity

		As at June 30, 2011
		$
Total equity previously reported under Canadian GAAP		2,270,442
Differences increasing (decreasing) reported equity:		
A	Employee benefits	(1,213)
B	Decommissioning liabilities included in the cost of PP&E	(878)
C	Reversal of intangible asset impairment	473
D	Reversal of contract cost impairment	769
F	Income taxes	11,951
Total adjustments		11,102
Total equity under IFRS		2,281,544

Reconciliation of consolidated net earnings

		Three months ended June 30, 2011	Nine months ended June 30, 2011
		$	$
Net earnings previously reported under Canadian GAAP		118,438	361,973
Differences increasing (decreasing) reported net earnings:			
C	Reversal of intangible asset impairment	(22)	(66)
D	Reversal of contract cost impairment	(143)	(442)
E	Share-based payments	(288)	(928)
F	Income taxes	1,563	4,411
G	Commitment to purchase outstanding shares of non-controlling interest	3,655	3,655
Total adjustments		4,765	6,630
Net earnings under IFRS		123,203	368,603

(tabular amounts only are in thousands of Canadian dollars, except share data) (unaudited)

14. Transition to IFRS (continued)

Reconciliation of consolidated comprehensive income

		Three months ended June 30, 2011	Nine months ended June 30, 2011
		$	$
Comprehensive income reported under Canadian GAAP		114,098	307,951
Total differences increasing net earnings		4,765	6,630
Differences decreasing reported other comprehensive income :			
B,D,F	Foreign currency translation adjustments	(84)	(342)
Comprehensive income under IFRS		118,779	314,239

Reconciliation of consolidated cash flows

There were no significant changes in the consolidated statement of cash flows on adoption of IFRS other than as a result of accounting for the investment in the joint venture under the equity method as described in adjustment H below.

DISCUSSION OF ADJUSTMENTS

Initial elections upon IFRS adoption

Set forth below are the IFRS 1 optional exemptions applied in the conversion from Canadian GAAP to IFRS that apply to the three and nine months ended June 30, 2011.

A. Employee benefits

IFRS 1 provides the option to recognize all cumulative actuarial gains and losses deferred as a result of applying the corridor approach in accounting for defined benefit plans in retained earnings at the Transition Date. The Company elected to apply this exemption. As a result, as at October 1, 2010, other long-term liabilities decreased by $780,000 and after a related increase to deferred income tax liabilities of $209,000, retained earnings increased by $571,000. Additionally, the Company's joint venture applied the same exemption and as a result, the investment in the joint venture decreased by $1,784,000 with a corresponding decrease to retained earnings.

As at and for the three and nine months ended June 30, 2011, the impact of this adjustment on the consolidated financial statements was not significant.

B. Decommissioning liabilities included in the cost of PP&E

Upon adoption of IFRS, the Company's decommissioning liability was revalued according to the discount rate specified in IAS 37, "Provisions, Contingent Liabilities and Contingent Assets". IFRIC 1, "Changes in Existing Decommissioning, Restoration and Similar Liabilities", requires specified changes in a decommissioning liability to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. IFRS 1 allows a first-time adopter a simplified treatment of historic changes when estimating the decommissioning liability between initial inception of the liability and the Transition Date. The Company elected to apply the method specified within IFRS 1 for valuing the decommissioning liability. As a result, as at October 1, 2010, PP&E decreased by $723,000 and long-term provisions increased by $562,000. After a related decrease to deferred income tax liabilities of $184,000 and an increase to deferred income tax assets of $198,000, retained earnings decreased by $903,000.

As at and for the three and nine months ended June 30, 2011, there was an insignificant adjustment to other comprehensive loss due to a foreign currency translation adjustment on the Transition Date adjustment.

14. Transition to IFRS (continued)

Other explanatory notes

C. Reversal of intangible asset impairment

Under Canadian GAAP, the reversal of impairment losses was prohibited. Under IFRS, the reversal of impairment losses is recognized for assets other than goodwill if certain criteria are met. Upon adoption of IFRS, the Company reversed an impairment recognized under Canadian GAAP as a result of changes in the expected cash flows relating to a business solution. As a result, as at October 1, 2010, intangible assets increased by $779,000 and after a related increase to deferred income tax liabilities of $240,000, retained earnings increased by $539,000.

For the three and nine months ended June 30, 2011, amortization within costs of services, selling and administrative increased by $32,000 and $95,000, respectively, while income tax expense decreased by $10,000 and $29,000, respectively.

D. Reversal of contract cost impairment

Under Canadian GAAP, contract costs consisting of transition costs and incentives were classified as intangible assets. Under IFRS, contract costs are recognized in accordance with IAS 11, “Construction Contracts” and no longer qualify as intangible assets. Upon adoption of IFRS, the Company reversed an impairment loss on a contract cost that was recognized under Canadian GAAP due to the fact that at the Transition Date the contract was profitable. As a result, as at October 1, 2010, contract costs increased by $2,095,000 and after a related increase to deferred income tax liabilities of $830,000, retained earnings increased by $1,265,000.

For the three and nine months ended June 30, 2011, amortization within costs of services, selling and administrative increased by $143,000 and $435,000, respectively, revenue decreased by $97,000 and $297,000, respectively, while income tax expense decreased by $97,000 and $290,000, respectively.

Additionally, as at and for the three and nine months ended June 30, 2011, there was an insignificant adjustment to other comprehensive loss due to a foreign currency translation adjustment on the Transition Date adjustment.

E. Share-based payments

Under Canadian GAAP, for grants of share-based awards with graded vesting, the total fair value of the award was recognized on a straight-line basis over the employment period necessary to vest the award. Under IFRS, each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value, and each grant is accounted for on that basis. As a result of the difference of accounting for each grant of graded share-based awards, as at October 1, 2010, contributed surplus increased by $8,100,000 with a corresponding decrease to retained earnings.

As at and for the three and nine months ended June 30, 2011, the adjustment resulted in an increase of contributed surplus and costs of services, selling and administrative of $288,000 and $928,000, respectively.

14. Transition to IFRS (continued)

F. Income Taxes

Assets or liabilities acquired other than in a business combination

Under Canadian GAAP, the carrying amount of an asset or liability acquired other than in a business combination was adjusted for by the amount of the related recognized deferred tax asset or liability. Under IFRS, a deferred tax asset or liability cannot be recognized if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and if at the time of the transaction neither accounting profit nor taxable profit is affected. As a result, as at October 1, 2010, the Company decreased deferred tax liabilities by $3,423,000, intangible assets by $3,414,000, contract costs by $542,000 and deferred tax assets by $5,049,000 with a corresponding decrease to other long-term liabilities of $895,000 and retained earnings of $4,687,000.

For the three and nine months ended June 30, 2011, amortization within costs of services, selling and administrative decreased by $308,000 and $926,000, respectively, revenue increased by $22,000 and $67,000, respectively, and income tax expense increased by $94,000 and $285,000, respectively.

Additionally, as at and for the three and nine months ended June 30, 2011, there was an insignificant adjustment to other comprehensive loss due to a foreign currency translation adjustment on the Transition Date adjustment.

Share-based payments

Under Canadian GAAP, a deferred tax asset was recognized on the difference between the accounting expense and the tax deduction relating to share-based payments. Under IFRS, the deferred tax asset recognized in relation to the share-based payments is adjusted each period to reflect the amount of the tax deduction the Company would receive if the award was tax deductible in the current period based on the current market price of the shares. If the estimated future tax deduction exceeds the related cumulative share-based payment costs, the excess deferred tax is recognized in contributed surplus. As a result, as at October 1, 2010, deferred tax liabilities decreased by $5,514,000 and retained earnings increased by $2,129,000 while contributed surplus increased by $3,385,000.

For the three and nine months ended June 30, 2011, income tax expense decreased by $1,327,000 and $3,703,000, respectively. As a result, contributed surplus increased by $7,026,000 as at June 30, 2011.

Additionally, as at and for the three and nine months ended June 30, 2011, there was an insignificant adjustment to other comprehensive loss due to a foreign currency translation adjustment on the Transition Date adjustment.

G. Commitment to purchase outstanding shares of non-controlling interest

Under Canadian GAAP, the value of the put and call option to purchase the remaining shares of Conseillers en informatique d'Affaires ("CIA") was disclosed as a commitment, but not recorded as a liability. Under IFRS, it must be recorded as a liability. As a result, as at October 1, 2010, accounts payable and accrued liabilities increased by $10,363,000, the equity attributable to non-controlling interest of $6,452,000 was eliminated and retained earnings decreased by the remaining balance of $3,911,000.

During the three months ended June 30, 2011, CIA repurchased the Company's shares in CIA and the Company simultaneously purchased the portion of the operations carried out in CIA's Paris office. As a result, under IFRS the liability relating to the put and call option to purchase the remaining shares of CIA of $10,363,000 was reversed and a gain of $3,655,000 was recognized within other income in the consolidated statement of earnings.

(tabular amounts only are in thousands of Canadian dollars, except share data) (unaudited)

14. Transition to IFRS (continued)

H. Accounting for joint venture

Under Canadian GAAP, the Company accounted for its investment in its joint venture under the proportionate consolidation method. Under IFRS, IAS 31, "Interests in Joint Ventures", allows a company to account for any joint venture interest under either the proportionate consolidation or equity method. As of the Transition Date, the Company elected to account for its investment in its joint venture under the equity method.

Under Canadian GAAP, the amounts below were included in the consolidated statements of earnings. Under IFRS, as a result of the application of the equity method, the amounts were removed from their respective lines and accounted for in a single line to reflect the share of profit on joint venture in the consolidated statements of earnings.

	Three months ended June 30, 2011	Nine months ended June 30, 2011
	$	$
Revenues	24,993	73,167
Operating expenses		
Costs of services, selling and administrative	19,936	60,341
Finance income	(41)	(141)
Foreign exchange loss	111	72
	20,006	60,272
Earnings before income taxes	4,987	12,895
Income tax expense	1,410	3,723
Share of profit on joint venture	3,577	9,172

Presentation reclassifications

I. Costs of services, selling and administrative

Under Canadian GAAP, amortization and other income were presented as separate lines within the consolidated statement of earnings. Under IFRS, the Company chooses to present expenses according to their function. As a result, for the three months ended June 30, 2011, amortization of $47,307,000 and other income of $23,000 were reclassified into costs of services, selling and administrative and for the nine months ended June 30, 2011, amortization of $149,131,000 and other income of $2,085,000 were reclassified into costs of services, selling and administrative.

COMPARATIVE FINANCIAL STATEMENTS

The following reconciliations illustrate the impact of adjustments and reclassifications from Canadian GAAP to IFRS for the consolidated statements of earnings for the three and nine months ended June 30, 2011.

(tabular amounts only are in thousands of Canadian dollars, except share data) (unaudited)

14. Transition to IFRS (continued)

Reconciliation of consolidated statement of earnings

Three months ended June 30, 2011	Canadian GAAP		Adjustments	IFRS
	$		$	$
Revenue	1,037,913	D,F,H	(25,068)	1,012,845
Operating expenses				
Costs of services, selling and administrative	846,584	C,D,E,F,H,I	27,503	874,087
Amortization and depreciation	47,307	I	(47,307)	-
Acquisition-related and integration costs	545		-	545
Finance costs	4,249		-	4,249
Finance income	(437)	H	41	(396)
Other income	(2,413)	G,I	(3,632)	(6,045)
Foreign exchange gain	(320)	H	(111)	(431)
Share of profit in joint venture	-	H	(3,577)	(3,577)
	895,515		(27,083)	868,432
Earnings before income taxes	142,398		2,015	144,413
Income tax expense	23,960	C,D,F,H	(2,750)	21,210
Net earnings	118,438		4,765	123,203
Earnings per share				
Basic earnings per share	0.45			0.47
Diluted earnings per share	0.43			0.45

Reconciliation of consolidated statement of earnings

Nine months ended June 30, 2011	Canadian GAAP		Adjustments	IFRS
	$		$	$
Revenue	3,291,672	D,F,H	(73,397)	3,218,275
Operating expenses				
Costs of services, selling and administrative	2,686,230	C,D,E,F,H,I	87,237	2,773,467
Amortization and depreciation	149,131	I	(149,131)	-
Acquisition-related and integration costs	3,675		-	3,675
Finance costs	15,263		-	15,263
Finance income	(3,067)	H	141	(2,926)
Other income	(4,475)	G,I	(1,570)	(6,045)
Foreign exchange gain	(2,870)	H	(72)	(2,942)
Share of profit in joint venture	-	H	(9,172)	(9,172)
	2,843,887		(72,567)	2,771,320
Earnings before income taxes	447,785		(830)	446,955
Income tax expense	85,812	C,D,F,H	(7,460)	78,352
Net earnings	361,973		6,630	368,603
Earnings per share				
Basic earnings per share	1.36			1.38
Diluted earnings per share	1.31			1.33