SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 40-F

(Check one)

¨ Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934

or

þ Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended September 30, 2008

Commission file number 1-14858

GROUPE CGI INC./CGI GROUP INC.

(Exact name of Registrant as Specified in Its Charter)

CGI Group Inc.
(Translation of Registrant's Name Into English)

Québec, Canada
(Province or Other Jurisdiction of Incorporation or Organization)

7374
(Primary Standard Industrial Classification Code Number)

[Not Applicable]
(I.R.S. Employer Identification Number)

1130 Sherbrooke Street West
7th Floor
Montréal, Québec
Canada H3A 2M8
(514) 841-3200
(Address and Telephone Number of Registrant's Principal Executive Offices)

CGI Technologies and Solutions Inc.
11325 Random Hills
Fairfax, VA22030
(703) 267-8679
(Name, Address and Telephone Number of Agent For Service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title Of Each Class	Name Of Each Exchange On Which Registered
Class A Subordinate Voting Shares	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

For annual reports, indicate by check mark the information filed with this form:

þ Annual Information Form þ Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 274,165,370 Class A Subordinate Shares, 34,208,159 Class B Shares

Indicate by check mark whether the registrant by filing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). If "Yes" is marked, indicate the file number assigned to the registrant in connection with such rule. Yes____
82-____ No_X

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes X No____

Undertaking

Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

Controls and Procedures

The Registrant has established a system of controls and other procedures designed to ensure that information required to be disclosed in its periodic reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. These disclosure controls and procedures have been evaluated under the direction of the Registrant's Chief Executive Officer and Chief Financial Officer as of the end of the Registrant's most recently completed fiscal year on September 30, 2008. Based on such evaluations, the Chief Executive Officer and Chief Financial Officer have concluded that the disclosure controls and procedures are effective. No change was made in the Registrant's internal controls over financial reporting during the fiscal year ended September 30, 2008 that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting. No significant changes were made in the Registrant's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

Audit Committee

The Audit and Risk Management Committee of the Board of Directors is composed entirely of unrelated directors who meet the independence and experience requirements of the New York Stock Exchange, the Toronto Stock Exchange, the U.S. Securities and Exchange Commission rules and Multi-Lateral Instrument 52-110 adopted by the Canadian Securities Administrators which took effect on March 30, 2004, as amended.

The Audit and Risk Management Committee is composed of Mrs. Eileen A. Mercier, Chair of the committee, and Messrs. Robert Chevrier, Gerald T. Squire and Robert Tessier.

The Registrant's Board of Directors has determined that the following members of the Audit and Risk Management Committee of the Board of Directors are "audit committee financial experts" within the meaning of paragraph (8) of General Instruction B to Form 40-F:

- Robert Chevrier, and
- Eileen A. Mercier

Principal Accountant Fees and Services

In order to satisfy itself as to the independence of the external auditors, the Audit and Risk Management Committee has adopted an auditor independence policy which covers (a) the services that may and may not be performed by the external auditors, (b) the governance procedures to be followed prior to retaining services from the external auditors, and (c) the responsibilities of the key participants. The following is a summary of the material provisions of the policy.

Performance of Services

Services are either acceptable services or prohibited services.

The acceptable services are (a) audit and review of financial statements, (b) prospectus work, (c) audit of pension plans, (d) special audits on control procedures, (e) tax planning services on mergers and acquisitions activities, (f) due diligence relating to mergers and acquisitions, (g) tax services related to transfer pricing, (h) sales tax planning, (i) research and interpretation related to taxation, (j) research

relating to accounting issues, (k) proposals and related services for financial structures and large tax planning projects, (l) preparation of tax returns and (m) all other services that are not prohibited services.

The prohibited services are (a) bookkeeping services, (b) design and implementation of financial information systems, (c) appraisal or valuation services or fairness opinions, (d) actuarial services, (e) internal audit services, (f) management functions, (g) human resources functions, (h) broker-dealer services, (i) legal services, (j) services based on contingency fees and (k) expert services.

Governance Procedures

The following control procedures are applicable when considering whether to retain the external auditors' services:

For all services falling within the permitted services category, whether they are audit or non-audit services, a request for approval must be submitted to the Audit and Risk Management Committee through the Executive Vice-President and Chief Financial Officer prior to engaging the auditors to perform the services.

In the interests of efficiency, certain permitted services are pre-approved quarterly by the Audit and Risk Management Committee and thereafter only require approval by the Executive Vice-President and Chief Financial Officer as follows:

- The Audit and Risk Management Committee can pre-approve envelopes for certain services to pre-determined dollar limits on a quarterly basis;
- Once pre-approved by the Audit and Risk Management Committee, the Executive Vice-President and Chief Financial Officer may approve the services prior to the engagement;
- For services not captured within the pre-approved envelopes and for costs in excess of the pre-approved amounts, separate requests for approval must be submitted to the Audit and Risk Management Committee;
- At each meeting of the Audit and Risk Management Committee a consolidated summary of all fees by service type is presented including a break down of fees incurred within each of the pre-approved envelopes.

Fees Paid to External Auditors

During the years ended September 30, 2008 and September 30, 2007, CGI paid the following fees to its external auditors:

Service retained	Fees paid	
	2008	**2007**
Audit fees	$3,786,221	$4,366,192
Audit related fees [(a)]	$2,823,827	$1,984,671
Tax fees [(b)]	$617,221	$812,281
All other fees [(c)]	-	$6,625
Total fees paid	**$ 7,227,269**	**$7,169,769**

(a) The audit related fees paid to the external auditors for the years ended September 30, 2008 and September 30, 2007 were in relation to service organization control procedures audits, accounting consultations and employee benefit plan audits.
(b)The tax fees paid to the external auditors for the years ended September 30, 2008 and September 30, 2007 were in relation to tax planning services on mergers and acquisitions and reorganization activities, research and interpretation related to taxation, support activities related to tax audit and

preparation of personal tax returns, principally on behalf of expatriates. None of the persons for whom tax returns were prepared were officers of the Company.
(c)The other fees paid to the external auditors for the year ended September 30, 2007 were for advisory services related to human resources matters.

Code of Ethics

In addition to its *Code of Ethics and Business Conduct* that applies to all the Registrant's employees, officers and directors, the Registrant has adopted an *Executive Code of Conduct* that applies specifically to the Registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or other persons performing similar functions (collectively, the "Officers"). The *Executive Code of Conduct* is designed to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely, and understandable disclosure in reports and documents that the Registrant files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Registrant;
- Compliance with applicable governmental laws, rules and regulations;
- The prompt internal reporting of violations of the code to an appropriate person or persons identified in the code; and
- Accountability for adherence to the code.

The Registrant's *Executive Code of Conduct* and of its *Code of Ethics and Business Conduct* have been posted on the Registrant's website at http://www.cgi.com.

On July 29, 2008, the CGI *Code of Ethics and Business Conduct* and the *Executive Code of Conduct* were amended by the Board of Directors on the recommendation of the Corporate Governance Committee in the context of the benchmarking of the Company's insider trading policy and blackout periods. As a result of the amendment, the periods during the year when insiders are permitted to trade in the Company's securities as well as the procedures they must follow when they wish to trade are no longer covered in the Code of Ethics and Business Conduct and the Executive Code of Conduct and, instead, are covered in a separate Policy on Insider Trading and Blackout Periods.

The Board of Directors monitors compliance with the Code of Ethics and Business Conduct and under the Board of Directors charter is responsible for any waivers of the codes' provisions granted to directors or officers. No such waivers have been granted to date.

Off-balance sheet arrangements

The Registrant does not enter into off-balance sheet financing as a matter of practice except for the use of operating leases for office space, computer equipment and vehicles, none of which are off-balance sheet arrangements within the meaning of paragraph (11) of General Instruction B to Form 40-F. In accordance with Canadian GAAP, neither the lease liability nor the underlying asset is carried on the balance sheet as the terms of the leases do not meet the threshold for capitalization.

As disclosed in Note 26 to the Registrant's Consolidated Financial Statements, in the normal course of business, the Registrant enters into agreements that may provide for indemnification and guarantees to counterparties in transactions such as consulting and outsourcing services, business divestitures, lease agreements and financial obligations. These indemnification undertakings and guarantees may require the Company to compensate counterparties for costs and losses incurred as a result of various events, including breaches of representations and warranties, intellectual property right infringement, claims that may arise while providing services or as a result of litigation that may be suffered by counterparties. The nature of most indemnification undertakings prevent the Registrant from making a reasonable estimate of the maximum potential amount the Registrant could be required to

pay counterparties, as the agreements do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. The Registrant does not expect that any sum it may have to pay in connection with these guarantees will have a materially adverse effect on its Consolidated Financial Statements.

Tabular Presentation of Contractual Obligations

As of September 30, 2008, the Registrant's known contractual obligations were as follows:

Contractual Obligations (in '000 of Canadian dollars)	Payment due by period				
	Total	Less than 1 year	2nd and 3rd years	4th and 5th years	After 5 years
Long-Term Debt Obligations	369,578	93,819	97,369	157,468	20,922
Capital (Finance) Lease Obligations	21,513	7,098	11,401	3,014	-
Operating Lease Obligations[(1)]	891,942	155,596	217,734	140,326	378,286
Purchase Obligations	205,382	73,462	109,150	19,600	3,170
Total	1,488,415	329,975	435,654	320,408	402,378

(1) Included in these obligations are $22.2 million of office space leases from past acquisitions.

Information to be Filed on This Form

The following materials are filed as a part of this Annual Report:

1. Annual Information Form for the fiscal year ended September 30, 2008
2. Audited Annual Financial Statements for the fiscal year ended September 30, 2008
3. Management's Discussion and Analysis of Financial Position and Results of Operations

The following documents are filed as exhibits to this Annual Report:

23.1 Consent of Deloitte & Touche LLP

99.1 Certification of the Registrant's Chief Executive Officer required pursuant to Rule 13a-14(a).

99.2 Certification of the Registrant's Chief Financial Officer required pursuant to Rule 13a-14(a).

99.3 Certification of the Registrant's Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

99.4 Certification of the Registrant's Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.



ANNUAL INFORMATION FORM

For the fiscal year ended
September 30, 2008

December 12, 2008

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This *Annual Information Form* is dated December 12, 2008 and, unless specifically stated otherwise, all information disclosed in this form is provided as at September 30, 2008, the end of CGI's most recently completed fiscal year. All dollar amounts are in Canadian dollars, unless otherwise stated.

INCORPORATION AND DESCRIPTION OF CAPITAL STOCK

Corporate Structure

CGI Group Inc. (the "Company", "CGI", "we", "us" or "our") was incorporated on September 29, 1981 under Part IA of the *Companies Act* (Quebec). The Company continued the activities of *Conseillers en gestion et informatique CGI inc.*, which was originally founded in 1976. The executive and registered office of the Company is situated at 1130 Sherbrooke Street West, 7th floor, Montreal, Quebec, Canada, H3A 2M8. CGI became a public company on December 17, 1986, upon completing an initial public offering of its Class A subordinate voting shares ("Class A subordinate voting shares").

Subsidiaries

The following is a list of the subsidiaries of CGI (i) whose total assets represent more than 10% of CGI's consolidated assets as at September 30, 2008, or (ii) whose sales and operating revenues represent more than 10% of CGI's consolidated sales and operating revenues for the year ended September 30, 2008.

Name	Jurisdiction of Incorporation	Percentage of Ownership
CGI Information Systems and Management Consultants Inc.	Canada	100%
Conseillers en gestion et informatique CGI inc.	Quebec	100%
CGI Technologies and Solutions Inc.	Delaware	100%

CGI has a wholly-owned subsidiary in each of the 16 countries in which we do business, and each operating subsidiary operates under the CGI brand. In addition, CGI owns a number of other subsidiaries that serve specific markets, serve as holding companies, or serve other corporate purposes.

Capital Structure

The Company's authorized share capital consists of an unlimited number of Class A subordinate voting shares carrying one vote per share and an unlimited number of Class B shares (multiple voting) ("Class B shares") carrying 10 votes per share, all without par value, of which, as of December 12, 2008, 274,145,411 Class A subordinate voting shares, and 34,208,159 Class B shares were issued and outstanding. These shares represent respectively 44.49% and 55.51% of the aggregate voting rights attached to the outstanding Class A subordinate voting shares and Class B shares. Two classes of preferred shares also form part of CGI's authorized capital: an unlimited number of First Preferred Shares ("First Preferred Shares"), issuable in series, and an unlimited number of Second Preferred Shares ("Second Preferred Shares"), also issuable in series. As of December 12, 2008 there were no preferred shares outstanding.

The Company incorporates by reference the disclosure contained under the headings "Class A Subordinate Voting Shares and Class B Shares", on page 3 and "First Preferred Shares" and "Second Preferred Shares" on page 5 of CGI's *Management Proxy Circular* dated December 12, 2008 which was filed with Canadian securities regulatory authorities and which is available at www.sedar.com and on CGI's web site at www.cgi.com. A copy of the *Management Proxy Circular* will be provided promptly to shareholders upon request.

Stock Splits

As of December 12, 2008, the Company had proceeded with four subdivisions of its issued and outstanding Class A subordinate voting shares as follows:

- August 12, 1997 on a two for one basis;
- December 15, 1997 on a two for one basis;
- May 21, 1998 on a two for one basis; and
- January 7, 2000 on a two for one basis.

Market for Securities, Trading Price and Volume

CGI's Class A subordinate voting shares are listed for trading on the *Toronto Stock Exchange* under the symbol GIB.A and on the *New York Stock Exchange*, under the symbol GIB. A total of 332,207,635 Class A subordinate voting shares were traded on the *Toronto Stock Exchange* during the year ended September 30, 2008 as follows:

Month	High[(a)] ($)	Low[(a)] ($)	Volume
October 2007	11.39	10.14	21,990,367
November 2007	11.57	8.95	28,201,594
December 2007	11.95	11.01	17,430,946
January 2008	11.45	9.17	17,583,248
February 2008	11.06	10.00	21,726,618
March 2008	11.03	10.18	28,100,824
April 2008	12.02	10.74	30,039,228
May 2008	11.95	10.15	43,403,414
June 2008	11.19	9.68	42,664,575
July 2008	11.38	8.95	34,824,050
August 2008	11.68	10.56	21,207,952
September 2008	11.39	9.16	25,034,819

(a) The high and low prices reflect the highest and lowest prices at which a board lot trade was executed in a trading session during the month.

Normal Course Issuer Bid and Share Repurchases

On February 5, 2008, CGI announced that it was renewing its normal course issuer bid to repurchase up to 10% of the public float of its issued and outstanding Class A subordinate voting shares during the next year. See *Significant developments of the most recent three fiscal years – Fiscal Year ended September 30, 2008 – Significant Developments* below.

CORPORATE GOVERNANCE

Board and Standing Committee Charters and Codes of Ethics

CGI's Code of Ethics and Business Conduct, its Executive Code of Conduct, the charter of the Board of Directors and the charters of the standing committees of the Board of Directors, including the charter of the *Audit and Risk Management Committee*, are set out in CGI's *Fundamental Texts* which are annexed as Appendix A to this *Annual Information Form*.

On July 29, 2008, the CGI Code of Ethics and Business Conduct and the Executive Code of Conduct were amended by the Board of Directors on the recommendation of the Corporate Governance Committee in the context of the benchmarking of the Company's insider trading policy and blackout periods. As a result of the

amendment, the periods during the year when insiders are permitted to trade in the Company's securities as well as the procedures they must follow when they wish to trade are no longer covered in the Code of Ethics and Business Conduct and the Executive Code of Conduct and, instead, are covered in a separate policy entitled *CGI Policy on Insider Trading and Blackout Periods*.

Audit Committee Information

The Company incorporates by reference the disclosure contained under the heading *Expertise and financial and operational literacy* on page 33 and the disclosure under the heading *Report of the Audit and Risk Management Committee* on page 41 and following of CGI's *Management Proxy Circular* dated December 12, 2008 which was filed with Canadian securities regulatory authorities and which is available at www.sedar.com and on CGI's web site at www.cgi.com. A copy of the *Management Proxy Circular* will be provided promptly to shareholders upon request.

Directors and Officers

Directors

The Company incorporates by reference the disclosure under the heading *Nominees for Election as Directors* relating to the Company's directors contained on pages 7 to 14, and the table on board of directors committee membership on page 30 of CGI's *Management Proxy Circular* dated December 12, 2008 which was filed with Canadian securities regulatory authorities and which is available at www.sedar.com and on CGI's web site at www.cgi.com. A copy of the *Management Proxy Circular* will be provided promptly to shareholders upon request.

Officers

The following table states the names of CGI's senior officers, their place of residence and their principal occupation:

Name and place of residence	Principal occupation
R. David Anderson Montreal, Quebec Canada	Executive Vice-President and Chief Financial Officer
François Boulanger Brossard, Quebec Canada	Senior Vice-President and Corporate Controller
André J. Bourque Outremont, Quebec Canada	Executive Vice-President and Chief Legal Officer
Serge Godin Westmount, Quebec Canada	Founder and Executive Chairman of the Board
André Imbeau Beloeil, Quebec Canada	Founder, Executive Vice-Chairman of the Board and Corporate Secretary
Donna S. Morea Falls Church, Virginia USA	President, US Operations and India
Luc Pinard St-Lambert, Quebec Canada	Executive Vice-President, Chief Technology and Quality Officer

Name and place of residence	Principal occupation
Michael E. Roach Outremont, Quebec Canada	President and Chief Executive Officer
Daniel Rocheleau Longueuil, Quebec Canada	Executive Vice-President and Chief Business Engineering Officer
Jacques Roy Boucherville, Quebec Canada	Senior Vice-President, Finance and Treasury
Joseph Saliba London England	President Europe and Australia
Claude Séguin Montreal, Quebec Canada	Senior Vice-President, Finance and Strategic Investments

All of the above-mentioned persons have held the position set out opposite their names, or other executive or equivalent management functions in the Company or its subsidiaries during the last five years, except for Donna S. Morea who prior to May 3, 2004 served as *Executive Vice-President – Public Sector Group* of *American Management Systems, Incorporated* ("AMS") and in other executive positions at AMS prior to its acquisition by CGI on May 3, 2004.

Ownership of Securities on the Part of Directors and Officers

The Company incorporates by reference the disclosure under the heading *Principal holders of Class A subordinate voting shares and Class B shares* on page 6 of CGI's *Management Proxy Circular* dated December 12, 2008 which was filed with Canadian securities regulatory authorities and which is available at www.sedar.com and on CGI's web site at www.cgi.com. A copy of the *Management Proxy Circular* will be provided promptly to shareholders upon request.

DESCRIPTION OF CGI'S BUSINESS

Mission and Vision

The mission of CGI is to help its clients with professional services of outstanding quality, competence and objectivity, delivering the best solutions to fully satisfy client objectives in information technology ("IT"), business processes and management. In all we do, we foster a culture of partnership, intrapreneurship and integrity, building a global IT and business process services ("BPS") company. CGI's vision is to be a world class IT and BPS leader helping our clients win and grow.

CGI's *Mission, Vision, Dream and Values* are explained in the Company's *Fundamental Texts, which* are annexed below as Appendix A and are posted on the Company's web site at www.cgi.com.

Business Structure

Prior to the Company's divestiture of its Canadian claims adjusting and risk management services business, management regularly reviewed CGI's operating results based on its two lines of business, the IT services line of business and the BPS line of business. Subsequent to this divestiture, the Company integrated BPS into the ITS line of business to drive incremental operating efficiencies. The Company's activities are now divided in the following segments: Canada, U.S. and India, and Europe and Asia Pacific.

The following table shows the revenues for each of the new segments in 2008 and 2007 as well as the related foreign currency impacts:

(*In '000 of dollars)*		
Segment	**2008**	**2007**
Canada	$2,340,856	$2,251,326
Before foreign currency impact	($5,290)	-
Foreign currency impact	$2,335,566	$2,251,326
Canada revenue		
U.S. and India	$1,196,390	$1,115,449
Before foreign currency impact	($109,877)	-
Foreign currency impact	$1,086,513	$1,115,449
U.S. and India revenue		
Europe and Asia Pacific	$287,057	$267,170
Before foreign currency impact	($3,273)	-
Foreign currency impact	$283,784	$267,170
Europe and Asia Pacific revenue		
Total	$3,705,863	$3,633,945

Services Offered by CGI

CGI provides end-to-end IT services and BPS to clients worldwide, utilizing a highly customized, cost efficient delivery model. The Company's delivery model provides for work to be carried out onsite at client premises, or through one of its centers of excellence located in North America, Europe and India.

In addition we have a unique solutions portfolio of more than fifty solutions that contribute value to our application services offering, including the following:

- *Momentum*™ is a full end-to end enterprise resource planning solution with over 100 installations across the U.S. federal government.
- *AMS Advantage*™ is a leading enterprise resource planning suite that U.S. state governments rely on in serving over 90 million U.S. citizens and managing US$500 billion of public sector budgets.
- *MSuite®, PrimeSuite*™ are robust wealth management solutions widely adopted in the Canadian financial industry.

Management of IT and business functions ("outsourcing")

Clients contract entire or partial responsibility for their IT or business functions to CGI to achieve significant savings and access the best technology, while retaining control over strategic IT and business functions. As part of such agreements, we implement our quality processes and best-of-breed practices to improve the efficiency of the clients' operations. We also integrate clients' operations into our technology network. Finally, we may transfer specialized professionals from our clients, enabling them to focus on mission critical operations. Services provided as part of an outsourcing contract may include development and integration of new projects and applications; applications maintenance and support; technology management (enterprise and end-user computing and network services); transaction and business processing, as well as other services such as payroll and document management services. Outsourcing contracts typically have terms from five to ten years and are renewable.

Consulting and Systems Integration

CGI provides a full range of IT and management consulting services, including business transformation, IT strategic planning, business process engineering and systems architecture.

CGI integrates and customizes leading technologies and software applications to create IT systems that respond to clients' strategic needs.

Markets for CGI's services

CGI offers its end-to-end services to a focused set of industry verticals ("verticals" or "vertical markets") where we have developed deep expertise. This allows us to fully understand our clients' business realities and to have the knowledge and solutions needed to advance their business goals. Our targeted verticals include: a) financial services, which accounts for approximately 30% of CGI's revenue, includes banking, credit unions, wealth management and life and property & casualty insurance, includes helping clients increase competitiveness by evolving complex environments and systems to support more integrated and client-focused operations; b) government and healthcare, which accounts for approximately 30% of CGI's revenue, includes assisting organizations in managing incremental change and undertaking large-scale, citizen-centric transformation; c) telecommunications and utilities, which accounts for approximately 22% of CGI's revenue, includes helping providers deliver new revenue streams while improving productivity and client service; d) retail and distribution, which accounts for approximately 11% of CGI's revenues, includes helping clients establish flexible and client centered operating models that build profitability and enhance loyalty; and e) manufacturing, which accounts for approximately 7% of CGI's revenue, includes transforming clients' operations and supply chains for enhanced profitability and global competitiveness.

Client Base

CGI works with large and medium sized businesses in the private and public sectors worldwide. The Company's clientele is well balanced in terms of quality, quantity, stability and diversity. The *BCE Inc.* group of companies' domestic operations (including those of *Bell Canada*) accounted for 12.2% of CGI's revenue in fiscal 2008 compared with 11.8% of CGI's revenue in fiscal 2007, and 12.1% of CGI's revenue in fiscal 2006. With the exception of *BCE Inc.*, none of CGI's clients accounted for more than 10% of its business.

Human Resources

As of December 12, 2008, CGI employs approximately 25,500 professionals. In order to encourage the high degree of commitment necessary to ensure the quality and continuity of client service, CGI has had a member share purchase plan in place for several years. From the beginning, the Company has had a *Profit Participation Plan* which, from 1990 onwards, has been based on the performance of its business units and overall corporate results.

CGI Offices and Global Delivery Model

CGI and its affiliated companies operate more than 100 offices located in 16 countries. Approximately 5,000 members representing approximately 20% of CGI's global workforce serve the Company's clients from 12 delivery centers located in Canada (Montreal, Ottawa, Quebec City, Sherbrooke, Atlantic Canada and Toronto), the U.S. (South-Western Virginia, Phoenix), Europe (Spain, Poland) and India (Bangalore, Mumbai). These delivery centers enable CGI to provide its clients with the right mix of onshore, nearshore and offshore IT services that best suits their business needs.

CGI's delivery centers and its main offices are listed on page 25 of the business booklet of CGI's *Annual Report* for fiscal 2008 entitled *Out of Great Challenges Come Even Greater Opportunities* which information is incorporated by reference. The *2008 Annual Report* was filed with Canadian securities regulatory authorities and is available at www.sedar.com and on CGI's web site at www.cgi.com. A copy of the business booklet and of the financial booklet of the *2008 Annual Report* will be provided promptly to shareholders upon request.

The vast majority of CGI's offices are located in rented premises.

Commercial Alliances

CGI currently has commercial alliance agreements with various business partners. These non-exclusive commercial agreements with hardware and software providers allow the Company to provide its clients with high quality technology, often on advantageous commercial terms. CGI's business partners include prominent hardware and software providers.

Research and Development

We seek new technology applications, or conceptually formulate and design possible prototypes or process alternatives that could potentially lead to new solutions for either existing or new clients.

The combined gross research and development spending incurred in 2008 was $54.8 million compared with $73.8 million in 2007 and $68.7 million in 2006.

Quality Processes

CGI's ISO 9001 certified operations that are reflected in its management frameworks ensure that its clients' objectives are clearly defined, that projects are properly scoped and that the necessary resources are applied to meet objectives. These processes ensure that clients' requirements drive CGI's solutions. Clients are constantly kept informed; their degree of satisfaction is constantly measured and part of the incentive remuneration of CGI managers is linked to the results.

In 1993, the Company began working towards obtaining ISO 9001 certification for the portion of its operations covered by its *Project Management Framework*. CGI's Quebec City office was granted ISO 9001 certification in June 1994, which allowed CGI to become North America's first organization in the IT consulting field to receive ISO 9001 certification for the way in which it managed projects. Since 1995 CGI has expanded the ISO 9001 certification throughout its Canadian, U.S. and international offices as well as its corporate headquarters. Over the past several years, in the context of CGI's high growth rate, its ISO certified quality system has been a key ingredient in spreading its culture, in part because it helps to integrate new members successfully.

As clients grow and IT projects become increasingly complex, CGI strives to further refine its quality processes while allowing them to branch out across all its activities. CGI's enhanced quality system referred to as the *Client Partnership Management Framework* ("CPMF") is simpler and provides the Company's business units with greater autonomy in a context of decentralized activities. One of CGI's key focus areas remains the successful management of client relationships, leading to long-term partnerships. Following its merger with *IMRglobal* in July 2001, CGI gained applications development centres in Mumbai and Bangalore in India which have now achieved SEI CMMI Level 5 quality certification.

CGI also obtained ISO 9001 certification for the application of its *Member Partnership Management Framework* in its operations, and in 2004, similarly obtained ISO 9001 certification for the portion of its operations covered by its *Shareholder Partnership Management Framework* ("SPMF"). The SPMF structures the processes and information flows between CGI and its shareholders as well as with the investment community.

CGI now holds ISO quality certification for the management of its partnerships with each of its three major stakeholder groups, namely customers, members and shareholders.

The IT Services Industry

Size, Structure and Recent Developments

Although the current state of the economy makes it difficult to predict future trends in IT spending, CGI intends to continue its Build and Buy profitable growth strategy. Most businesses and governments still require IT services in challenging market conditions and clients are expected to be looking for increased value and lower

costs, thereby presenting opportunities that the Company has successfully exploited in the past. With respect to information technology and business process services outsourcing, we believe that the potential remains enormous. CGI has from time to time commissioned a study from *International Data Corp.* ("IDC") which provides CGI with insight as to spending on information technology and business process services in Canada, the United States and Europe.

According to IDC's research conducted in 2008, the potential business opportunity for information technology outsourcing was estimated to be US$519 billion in the U.S., US$552 billion in Europe and US$49 billion in Canada. For business process services, the opportunity is even greater, amounting to US$785 billion in the U.S., US$1.3 trillion in Europe, and US$71 billion in Canada. These numbers exclude the value of services already outsourced and indicate a large untapped potential market.

Industry Trends and Outlook

Our industry continues to evolve rapidly. In the early to mid 1990s, 75% of the industry's revenue came from per diem services, i.e. from specialized assistance within specific projects. Such services did not require a large or complex organization nor did they allow for much differentiation between firms, which resulted in fierce competition.

Today, a large IT firm's revenues are generated by systems integration or outsourcing projects aimed at comprehensive business solutions. Both public and private sector organizations are looking for new ways to provide better services at lower cost. For organizations, the emergence of internet applications and web based business models have shortened implementation time for solutions while increasing pressure to retain scarce professional resources. Their need to concentrate on core competencies and to increase flexibility explains why companies increasingly turn to externally sourced professionals for the development and management of some of their specialized functions, including information systems. They are demanding proven technological solutions implemented rapidly at a lower total cost of ownership and operation.

Prospective clients continue to place significant emphasis on cost reductions and are therefore inclined to consider outsourcing part or all of their IT services. These factors help to explain the growing popularity of global outsourcing services.

CGI's Growth and Positioning Strategy

CGI has major competitive advantages to address the current demand for services and the potential market for global outsourcing services. The Company benefits from a strong financial position and offers the full range of IT services.

CGI's independence from hardware manufacturers is also a differentiating factor, allowing us to focus on developing the best solution for our client's needs.

CGI benefits from a highly flexible global delivery model (see the heading *CGI Offices and Global Delivery Model* above) providing clients with high quality services on competitive terms, while protecting CGI's margins.

CGI's client base is principally grouped within five industry vertical markets (see the heading *Markets for CGI's services* above). In order to develop services adapted to the specific needs of each market, the Company's professionals are grouped according to targeted client segments, which provide the Company with a deeper understanding of the trends specific to each industry, as well as a better understanding of the clients' competitive and technological challenges. This market expertise is a key factor in the Company's ability to develop comprehensive business solutions.

CGI's *Build and Buy* strategy is founded on four pillars of growth that combines organic growth and acquisitions in a way that provides an ideal mix of profitable revenue delivered by a proximity-based model ensuring that the Company maintains an intimate relationship with its clients while offering them the benefits of global sourcing options.

The first pillar of this strategy focuses on generating organic growth through contract wins, renewals and extensions in the areas of outsourcing and systems integration and consulting.

The second pillar of the strategy involves the pursuit of new large outsourcing contracts, leveraging our end-to-end services, global delivery model and critical mass. CGI's global delivery model offers a unique blend of onshore, nearshore and offshore delivery options that result in highly responsive and cost effective delivery. Further, based on the Company's growth rate over the last several years, we have the critical mass required to bid on large and complex opportunities in North America and Europe.

The third pillar of our growth strategy focuses on the acquisition of smaller firms or niche players. We identify niche acquisitions through a strategic mapping program that systematically searches for targets that will strengthen our vertical market knowledge or increase the richness of our service offerings.

The fourth pillar involves the pursuit of transformational acquisitions focused on expanding our geographic presence and critical mass. This approach further enables us to strengthen our qualifications to compete for large outsourcing contracts.

Significant developments of the most recent three fiscal years

Fiscal Year ended September 30, 2008

Significant Developments

CGI continued delivering strong financial performance throughout fiscal 2008. Steady organic and profitable growth as well as leading margins characterized our operational performance. The Company booked 30% more new business in fiscal 2008 compared with the previous year and the more significant bookings are outlined below. As part of its build and buy strategy, the Company's strategic expansion plans call for its growth targets to be evenly split between acquisition and organic growth. Using our disciplined investment criteria, the Company reviewed several acquisition opportunities in fiscal 2008, but ultimately chose not to proceed because of timing, alignment or price.

Instead, cash was re-invested in organic growth, reducing debt and buying back shares as part of the Company's Normal Course Issuer Bid. During the year, we repaid $106.2 million of our credit facility net of drawings, and repurchased 19.9 million shares for $213.5 million. Entering 2009, CGI believes it is extremely well-positioned to capitalize on market opportunities as they present themselves.

Bookings

The Company booked new business that exceeded its revenue, resulting in a book-to-bill ratio of 112% for the year. The book-to-bill ratio is stated as a proportion of total bookings to revenue for the period. New business booked in the year was across all verticals and geographies. Our three largest verticals for bookings were government and healthcare, financial services, and telecommunications and utilities, making up approximately 40%, 35% and 13% of total bookings, respectively. From a geographical perspective, Canada made up 51% of total bookings, followed by the U.S. and Europe and Asia Pacific at 41% and 8%, respectively.

All geographies showed year-over-year booking improvements highlighted by Canada with 47% followed by Europe and Asia Pacific and U.S. with improvements of 26% and 15%, respectively.

Significant Bookings in the Year

- October 3, 2007: 10-year US$110 million managed services contract with Océ North America to deliver infrastructure services, including end-user computing, service desk, enterprise operations and data center hosting.

- November 14, 2007: Three-year $91.8 million contract with Public Works and Government Services Canada (“PWGSC”) for the provision of engineering and technical management services to their Information Technology Services Branch. The agreement also entitles PWGSC to four one-year extensions, with a total potential contract value of $400 million.

- February 4, 2008: Two-year contract valued at approximately US$27 million with the U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services (“CMS”) to implement CMS’ Provider Enrollment Chain and Ownership System One-Stop-Shop release.

- April 2, 2008: Consulting contracts awarded by Revenu Québec valued at more than $40 million for the improvement of the government’s existing personal income tax system and the development of a new system.

- April 10, 2008: 10-year project valued at US$83 million with the U.S. Environmental Protection Agency to modernize its financial system using CGI’s commercial Momentum software, and to transition its financial system IT hosting and application management to CGI.

- May 1, 2008: Five-year contract with Daimler Financial Services to provide a full end-to-end applications management service for international Vehicle Asset Financing.

- May 7, 2008: 10-year US$115 million contract with Magnolia Insurance Company to provide back-office services including complete policy administration, billing and accounting, claims administration, statistical reporting, and statutory accounting services.

- May 28, 2008: Three-year US$29.6 million contract with the Oregon Department of Human Services to design, develop and implement its next generation Statewide Automated Child Welfare Information System.

- June 19, 2008: Seven-year agreements valued at US$80 million with Australia and New Zealand Banking Group Limited and Bank of Montreal Financial Group to extend their use of CGI’s Proponix global trade platform.

- September 15, 2008: Five-year agreement with the Ontario Education Collaborative Marketplace valued at $40 million to build and manage the electronic marketplace.

- October 8, 2008: Seven-year contract extension with Co-operators General Insurance Company valued at approximately $110 million, whereby CGI will continue to provide data center services. This contract renewal was signed prior to and announced subsequent to our year end.

CGI measures bookings as a key indicator of our future revenue. However, due to the timing and transition period associated with outsourcing contracts, the realization of revenue related to these bookings may fluctuate from quarter to quarter.

Divestiture

As announced on July 21, 2008, the Company divested its Canadian claims adjusting and risk management services business for a consideration of $38.1 million. The Company received net cash proceeds of $29.2 million in August 2008. Of the remaining $6.4 million, $5.5 million is to be paid on or before August 5, 2014. The net assets disposed of included goodwill of $7.7 million, which is net of an impairment of $4.1 million. Additional information on this transaction is provided in Note 19 to our 2008 consolidated financial statements.

Prior to this transaction, management regularly reviewed CGI’s operating results based on its two lines of business – IT services and BPS. Subsequent to this divestiture, the Company integrated BPS into its ITS line of business to drive incremental operating efficiencies (see the heading *Business Structure* above).

Share Repurchase Program

On February 5, 2008, the Company’s Board of Directors authorized the renewal of a Normal Course Issuer Bid and the purchase of up to 10% of the public float of the Class A subordinate shares during the period ending

no later than February 6, 2009. The Company received approval from the Toronto Stock Exchange for its intention to make an Issuer Bid, which allows CGI to purchase on the open market, through the facilities of the Toronto Stock Exchange, up to 28,502,941 Class A subordinate voting shares for cancellation.

During fiscal 2008, the Company repurchased 19,910,068 of its Class A subordinate voting shares for $213.5 million at an average share price of $10.72, under the current and the previous Normal Course Issuer Bid.

Foreign currency impact

The impact of foreign currency during fiscal 2008 reduced revenues by 3.3%. This compares to a reduction of 0.3% in fiscal 2007 and 3.0% in fiscal 2006. The foreign currency impact in 2008 results mainly from unfavourable U.S. dollar fluctuations.

Fiscal Year ended September 30, 2007

Significant Developments

Competitive Position Strengthening Program

As announced on March 29, 2006, the Company took measures to reduce the overall cost structure and accelerate the expansion of its global delivery model partially due to lower than expected revenue from *BCE Inc.* In line with this plan, approximately 1,150 positions were eliminated, primarily located in Montreal and Toronto, of which half were related to *BCE Inc.* The remaining headcount reduction stemmed from other adjustments to CGI's cost base and included reductions in global and corporate functions.

The expansion of the global delivery model created new positions in our centers of excellence in Atlantic Canada, Southwest Virginia, and India which partially offset the headcount reductions. This exercise allowed the Company to further reduce its overhead and increase the overall utilization rate of its workforce.

In the first quarter of 2007 we completed our *Competitive Position Strengthening Program*. The objectives of the program were successfully met. A total pre-tax provision of $90.3 million was taken for the program with $67.3 million taken in fiscal 2006 and $23.0 million taken in 2007. Note 14 to our 2007 consolidated audited financial statements provides more information on the *Competitive Position Strengthening Program*.

Our efforts to reduce our cost structure had the desired impact, and our profit margin strengthened considerably in line with our expectations. Two trends characterized CGI's subsequent performance in fiscal 2007: steady organic growth across all of our geographic markets and stronger profit margins supported by operational excellence. We pursued a business development visibility program we called our *Full Offering Strategy*, designed to systematically, and with discipline, visit targeted new and existing clients to inform and educate them on CGI's complete end-to-end offering. The strategy was a catalyst for new contracts, extensions and renewals.

During fiscal 2007, the impact of foreign currency reduced revenues by only 0.3%. This compares to a reduction of 3.0% in fiscal 2006. The foreign currency impact in 2007 results from unfavourable U.S. dollar fluctuations being partly offset by favourable gains from the euro and pound sterling.

New Contracts, Extensions, and Renewals

During fiscal 2007, CGI booked $3.3 billion of new contracts, extensions and renewals including but not limited to the following:

- October 4, 2006: Five-year US$65 million contract renewal for hosting and application maintenance and operations for the Commonwealth of Virginia's eVA procurement portal solution.
- October 11, 2006: Five-year US$22.6 million managed services contract to host and operate its AMS Advantage® ERP system for the State of Wyoming.

- November 13, 2006: Five-year $100 million plus extension of an IT outsourcing contract with *Laurentian Bank of Canada* to June 2016.
- January 26, 2007: Seven-year $23.6 million contract to provide multi-level IT services and technology outsourcing for *Acxsys Corporation*.
- March 6, 2007: Two-year $9.7 million contract to provide systems integration support services to *Public Works and Government Services Canada*'s *Financial Systems Transformation Project*.
- March 29, 2007: Two-year extension with *National Bank of Canada* to provide payroll services to the bank's corporate clients until 2016.
- May 4, 2007: 34-month US$16.1 million contract with the *Washington State Children's Administration* to deliver critical services to families.
- May 9, 2007: Six-year US$84 million contract with Los Angeles County for the next phase of its ERP system project.
- May 11, 2007: Four-year contract renewal with the *Business Development Bank of Canada* ("BDC") plus an option of three supplemental one year periods, to provide services including hosting, printing and insertion, system environment management, internet bandwidth and business continuity planning.
- May 14, 2007: Five-year $9 million contract with the *Calgary Health Region* which makes CGI the primary IT services provider to design, build, implement, and operate the *Alberta Provincial Health Information Exchange*.
- August 22, 2007: Five-year contract renewal agreement with the *Groupement des assureurs automobiles* covering the operational aspects of the *Fichier central des sinistres automobiles* in Quebec for the processing and distribution of motor vehicle claims records in the province.
- August 29, 2007: Agreement with *The Commerce Group, Inc.* to extend their personal and commercial automobile policy processing services agreement through December 31, 2011.
- September 14, 2007: Seven-year IT outsourcing contract with *Bombardier Recreational Products Inc.* ("BRP") to manage the company's SAP infrastructure support, business intelligence applications, websites, as well as the e-commerce application that allows retailers and distributors to do business with BRP around the world.
- September 19, 2007: Two-year US$27 million renewal to administer multi-family housing payments in the state of Ohio for the U.S. *Department of Housing and Urban Development*.
- September 20, 2007: Five-year US$17.5 million contract with Orange County in California to upgrade its finance and purchasing information systems.
- September 24, 2007: One-year US$8.5 million renewal with the U.S. *Department of Housing and Urban Development* in Northern California to provide contract administration and payment services for site-based multi-family housing assistance payments.

Acquisitions

In fiscal 2007, we made only one niche acquisition, *Codesic Inc.*, and established control over *Conseillers en Informatique d'Affaires C.I.A. Inc.*

Codesic Inc.

On May 3, 2007, we completed the acquisition of privately held *Codesic Inc.*, an IT services firm located in Seattle, Washington, for an aggregate consideration of $24.0 million. *Codesic Inc.* assisted clients in the management of strategic initiatives, integrating technology with business and supporting critical computing environments.

Conseillers en Informatique d'Affaires C.I.A. Inc.

On April 19, 2007, following changes to the shareholders' agreement, CGI established control over *Conseillers en Informatique d'Affaires C.I.A. Inc.*, a provider of IT services primarily in the government and financial sectors. The previous shareholders agreement was amended to remove limits to CGI's representation on the Board of Directors. CGI's nominees now hold three of the five seats on the company's board of directors and we own 64.7% of the company's outstanding common shares.

Share Repurchase Program

On January 30, 2007, the Company's Board of Directors authorized the renewal of the Company's normal course issuer bid and the purchase of up to 10% of the public float of the Company's Class A subordinate voting shares during the period ended February 4, 2008. The Company received approval from the *Toronto Stock Exchange* for its normal course issuer which allowed us to purchase on the open market up to 29,091,303 Class A subordinate voting shares for cancellation.

As of December 31, 2007, the Company had repurchased 11,847,700 of its Class A subordinate shares under its normal course issuer bid for a total consideration of $127,162,487 million at an average price of $10.73 per share including commissions. The purchases were made both under the then current normal course issuer bid, and under the previous normal course issuer bid that had expired on February 2, 2007.

Credit Facility Amendment

On August 13, 2007, the Company amended its existing five-year unsecured credit facility to increase the amount to $1.5 billion with the possibility to increase it further to $1.75 billion. The new credit facility, syndicated through 20 international financial institutions, has a five-year term expiring in August 2012 and can be extended on an annual basis. The applicable interest rate charged under the credit facility is based on the Company's indebtedness ratio and the form of borrowing chosen by the Company. Note 8 to our 2007 consolidated audited financial statements provides more information concerning our credit facilities.

Fiscal Year ended September 30, 2006

Significant Developments

In fiscal 2006, CGI signed approximately $4.0 billion in new contracts, extensions and renewals. The most significant transaction was a contract extension worth $1.1 billion in value over a term of ten years in which CGI extended the outsourcing agreement with the *BCE Inc.* group of companies on January 12, 2006, providing the Company with an important source of recurring revenues. The remaining new contracts, extensions and renewals span the Company's targeted vertical markets. Overall, while fiscal 2006 was not without its successes, it was, nonetheless, a year marked by two over-arching challenges. First, lower than expected revenue and work volumes from our largest client, *BCE Inc.*, which impacted our revenue by $114.7 million in fiscal 2006. Second, the strengthening Canadian dollar had a negative impact of $106.4 million on our fiscal 2006 revenue compared with fiscal 2005.

Program to Strengthen CGI's Competitive Position

On March 29, 2006 CGI announced that it was taking measures to reduce its overall cost structure and to accelerate the expansion of its *Global Delivery Model*. The measures were partly in response to the lower than expected revenue from *BCE Inc.* In line with this plan, approximately 1,150 positions were eliminated during fiscal 2006, primarily located in Montreal and Toronto, of which approximately half were related to services provided to *BCE Inc.* The remaining headcount reduction stemmed from other adjustments to CGI's cost base and included reductions in global and corporate functions. CGI's strategic intent to increase the scale of its *Global Delivery Model* created new positions in our centres of excellence in Atlantic Canada, southwest Virginia, and India which partially offset the headcount reductions. This exercise allowed the Company to further reduce its overhead and increase the overall utilization rate of its workforce. A pre-tax

provision of $67.3 million was taken in fiscal 2006, comprised of $51.5 million for severance and $15.8 million for consolidation and closure of facilities. The remaining provision of $23.0 million was taken in fiscal 2007.

Adjustments to Senior Management

Serge Godin, previously Chairman of the Board and Chief Executive Officer ("CEO") took the position of Founder and Executive Chairman of the Board of CGI in January, 2006, and the Board appointed Michael E. Roach, previously President and Chief Operating Officer, as President and Chief Executive Officer of CGI, reporting to Serge Godin.

In July of 2006, André Imbeau, previously Executive Vice-President and Chief Financial Officer, was appointed Founder and Executive Vice-Chairman of the Board of CGI. In September of 2006, Mr. Imbeau was also appointed Corporate Secretary. In his new role, Mr. Imbeau works closely with Serge Godin and focuses on strategic initiatives leading to value creation, such as major transactions and financing as well as key client relationships. Concurrently, David Anderson, previously CGI's Senior Vice-President and Corporate Controller was appointed to the role of Executive Vice-President and Chief Financial Officer. In this capacity, Mr. Anderson also joined the CGI Executive Committee, which consists of Serge Godin, André Imbeau, and Michael E. Roach.

BCE Inc. Share Buyback and Normal Course Issuer Bid

On December 16, 2005, the Company reached an agreement with *BCE Inc.* to purchase for cancellation 100 million of its Class A subordinate voting shares held by *BCE Inc.* at a price of $8.59 per share. The transaction was completed on January 12, 2006 and the shares were cancelled. The purchase price was equal to the volume-weighted average price of the Class A subordinate voting shares on the *Toronto Stock Exchange* for the 20 trading days preceding December 16, 2005. Subsequent to the repurchase of shares, the shareholders agreement with *BCE Inc.* was terminated, and its representation on the CGI Board of Directors was relinquished. As at September 30, 2006, *BCE Inc.*'s share ownership represented approximately 2% of CGI's issued and outstanding Class A subordinate voting shares and Class B shares, compared to 30% at the end of fiscal 2005. CGI financed the acquisition price of $859.2 million plus associated costs of $6.8 million through cash on hand and the utilization of its credit facilities. Following this transaction, through an agreement with a bank syndicate, the Company's current bank facilities were increased by $200 million to stand at $1 billion. The agreement comprised a Canadian tranche with a limit of $850 million and a U.S. tranche equivalent to $150 million.

On January 31, 2006, the Company's Board of Directors authorized the renewal of its *Normal Course Issuer Bid* and the purchase of up to 10% of the public float of the Company's Class A subordinate voting shares during the ensuing year and the *Toronto Stock Exchange* subsequently approved the Company's request for approval. The *Normal Course Issuer Bid* enabled CGI to purchase on the open market through the Toronto Stock Exchange up to 29,288,443 Class A subordinate voting shares for cancellation. The Class A subordinate voting shares were able to be purchased under the Issuer Bid commencing February 3, 2006 and ending no later than February 2, 2007. As of December 29, 2006, the Company had purchased 10,270,400 Class A subordinate voting shares under the issuer bid for an average market price plus commission of $7.27, representing an aggregate consideration of $74.7 million.

Exercise of Share Purchase Warrants

On March 22, 2006, *La Fédération des caisses Desjardins du Québec* ("Desjardins") exercised a warrant for 4,000,000 Class A subordinate voting shares at a price of $6.55 each. This warrant was originally issued by CGI in connection with a 10-year outsourcing agreement signed with Desjardins in 2001. On April 6, 2006, *BCE Inc.* exercised warrants for 3,021,096 Class A subordinate voting shares and 110,140 Class B shares at a price of $6.55 each. Similarly, on April 28, 2006, the Class B shareholders of CGI exercised warrants for 435,991 Class B shares at a price of $6.55 each. The warrants exercised by *BCE Inc.* and the Class B shareholders had been issued to them pursuant to their pre-emptive rights at the time of the issuance of the Desjardins warrants. On June 13, 2006, 1,118,210 warrants held by another third party, which had not been exercised, expired. No further warrants are outstanding as of December 12, 2008.

MATERIAL CONTRACTS

BCE Inc. and Bell Canada

In January of 2006, CGI successfully concluded transactions with *BCE Inc.* pursuant to which it repurchased 100 million of its Class A subordinate voting shares and extended the outsourcing agreement with the *BCE Inc.* group of companies (See the heading *Significant developments of the most recent three fiscal years – Fiscal Year ended September 30, 2006 – Significant Developments* above).

FORWARD LOOKING INFORMATION AND RISK FACTORS

Forward-Looking Information

All statements in this *Annual Information Form* that do not directly and exclusively relate to historical facts constitute "forward-looking statements" within the meaning of that term in Section 27A of the United States *Securities Act of 1933*, as amended, and Section 21E of the United States *Securities Exchange Act of 1934*, as amended, and are "forward-looking information" within the meaning of sections 138.3 and following of the Ontario *Securities Act*. These statements and this information represent CGI's intentions, plans, expectations and beliefs, and are subject to risks, uncertainties and other factors, of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements or forward-looking information.

These factors include and are not restricted to the timing and size of new contracts, acquisitions and other corporate developments; the ability to attract and retain qualified members; market competition in the rapidly-evolving IT industry; general economic and business conditions, foreign exchange and other risks identified in this *Annual Information Form*, in the *Management's Discussion & Analysis* filed with Canadian securities authorities (filed on SEDAR at www.sedar.com), and in CGI's *Annual Report* on Form 40-F filed with the U.S. *Securities and Exchange Commission* (filed on EDGAR at www.sec.gov) as well as assumptions regarding the foregoing.

The words "believe," "estimate," "expect," "intend," "anticipate," "foresee," "plan," and similar expressions and variations thereof, identify certain of such forward-looking statements or forward-looking information, which speak only as of the date on which they are made. In particular, statements relating to future performance are forward-looking statements and forward-looking information. CGI disclaims any intention or obligation to publicly update or revise any forward-looking statements or forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Readers are cautioned not to place undue reliance on these forward-looking statements or on this forward-looking information.

Risk Factors

While we are confident about our long-term prospects, the following risks and uncertainties could affect our ability to achieve our strategic vision and objectives for growth and should be considered when evaluating our potential as an investment.

Risks Related to our Industry

The competition for contracts

We have a disciplined approach to the management of all aspects of our business, with almost all of our operations certified under ISO 9001. Our management processes were developed to help us ensure that our members consistently deliver services according to our high standards and they are based on strong values underlying our client-focused culture. These processes have contributed to our high contract win and renewal rates to date. Additionally, we have developed a deep strategic understanding of the five vertical markets we target, and this helps enhance our competitive position. CGI is a leading provider of IT services and BPS in Canada, and through a combination of organic growth and acquisitions, we continue to strengthen our position

in the U.S. market. We have made good progress in growing our revenue from the U.S. and internationally over time and expect this trend to continue. However, the market for new IT and BPS outsourcing contracts remains very competitive and there can be no assurances that we will continue to compete successfully.

The length of the sales cycle for major outsourcing contracts

As outsourcing deals become larger and more complex, the Company is experiencing longer selling cycles. In the past, we experienced cycles lasting between six and 18 months, which now are between 12 and 24 months. The lengthening sales cycle could affect our ability to meet annual growth targets.

The availability and retention of qualified IT professionals

There is strong demand for qualified individuals in the IT industry. Over the years, we have been able to successfully attract and retain highly qualified staff, due in large part to our solid culture, strong values and emphasis on career development, as well as performance-driven remuneration. In addition, we have implemented a comprehensive program aimed at attracting and retaining qualified and dedicated professionals. We believe that we are a preferred employer in the IT services industry. We also secure access to additional qualified professionals through outsourcing contract wins and business acquisitions. In addition, because of the competitiveness of the IT labour market, we may not be able to hire and retain the employees we require, causing us to increase our reliance on external subcontractors which could have an impact on our operating margins.

The ability to continue developing and expanding service offerings to address emerging business demands and technology trends

We strive to remain at the forefront of developments in the IT services industry, thus ensuring that we can meet the evolving needs of our clients. We achieved this expertise as a result of our specialization in five targeted vertical markets; our non-exclusive commercial alliances with hardware and software vendors and strategic alliances with major partners; our development of proprietary IT solutions; regular training and sharing of professional expertise across our network of offices and professionals; and business acquisitions that provide specific knowledge or added geographic coverage.

Infringing on the intellectual property rights of others

We cannot be sure that our services and offerings do not infringe on the intellectual property rights of third parties, and we may have infringement claims asserted against us. These claims may be costly, harm our reputation, and prevent us from providing some services and offerings. We enter into licensing agreements with our clients for the right to use intellectual property that includes a commitment to indemnify the licensee against liability and damages arising from any third-party claims of patent, copyright, trademark or trade secret infringement. In some instances, the amount of these indemnity claims could be greater than the revenue we receive from the client. Any claims or litigation in this area, whether we ultimately win or lose, could be time-consuming and costly, injure our reputation, or require us to enter into royalty or licensing arrangements. Any limitation on our ability to sell or use products or services that incorporate challenged software or technologies could cause us to lose revenue-generating opportunities or require us to incur additional expenses to modify solutions for future projects.

Benchmarking provisions within certain contracts

Some of our outsourcing contracts contain clauses allowing our clients to externally benchmark the pricing of agreed upon services against those offered by othe providers in an appropriate peer comparison group. The uniqueness of the client environment is factored in and if results indicate a difference outside the agreed upon tolerance, we will work with the clients to reset the pricing for their services. The outcomes may have either an unfavourable or favourable impact on our future results.

Protecting our intellectual property rights

Our success depends, in part, on our ability to protect our proprietary methodologies, processes, know-how, tools, techniques and other intellectual property that we use to provide our services. Our general practice is to pursue patent, copyright, trademark, trade secret or other appropriate intellectual property protection that is reasonable and necessary to protect and leverage our intellectual assets. For instance, all CGI business solutions will benefit from copyright protection and patent protection where available. Furthermore, CGI requires its clients, partners and subcontractors to execute a Non-Disclosure Agreement when entering into a business relationship in order to protect its intellectual property against appropriation or infringement. We also assert trademark rights in and to our name, product names, logos and other markings used to identify our goods and services in the marketplace. We routinely file for and have been granted trademark registrations from the U.S. Patent and Trademark Office and other trademark offices worldwide. The same is done for our CGI domain name on the internet. All of these actions allow CGI to enforce its intellectual property rights, should the need arise. However, the laws of some countries in which we conduct business may offer only limited protection of our intellectual property rights; and despite our efforts, the steps taken to protect our intellectual property may not be adequate to prevent or deter infringement or other misappropriation of intellectual property, and we may not be able to detect unauthorized use of our intellectual property, or take appropriate steps to enforce our intellectual property rights.

Risks Related to our Business

Business mix variations

The proportion of revenue that we generate from shorter-term systems integration and consulting ("SI&C") projects, versus revenue from long-term outsourcing contracts, will fluctuate at times, affected by acquisitions or other transactions. An increased exposure to revenue from SI&C projects may result in greater quarterly revenue variations.

The financial and operational risks inherent in worldwide operations

We manage operations in 16 countries worldwide, with less than 10% of revenue coming from outside North America. We believe that our Management Foundation, which includes management frameworks and processes that guide business unit leaders in managing our members and clients, helps ensure worldwide operational efficiency and consistency. However, the scope of our worldwide operations makes us subject to currency fluctuations; the burden of complying with a wide variety of national and local laws; differences in, and uncertainties arising from local business culture and practices; multiple and sometimes conflicting laws and regulations, including tax laws; operating losses incurred in certain countries as we develop our international service delivery capabilities and the non-deductibility of these losses for tax purposes; the absence in some jurisdictions of effective laws to protect our intellectual property rights; restrictions on the movement of cash and other assets; restrictions on the import and export of certain technologies; restrictions on the repatriation of earnings; and political, social and economic instability including the threats of terrorism and pandemic illnesses. We have a hedging strategy in place to protect ourselves, to the extent possible, against foreign currency exposure; but, other than the use of financial products to deliver on our hedging strategy, we do not trade derivative financial instruments. While we believe we have effective management processes in place in each office worldwide, any or all of these risks could impact our global business operations and cause our profitability to decline.

The ability to successfully integrate business acquisitions and the operations of IT outsourcing clients

The integration of acquired operations has become a core competency for us as we have acquired a large number of companies since our inception. Our disciplined approach to management, largely based on our management frameworks, has been an important factor in the successful integration of human resources of acquired companies and the IT operations of outsourcing clients.

Material developments regarding major commercial clients resulting from such causes as changes in financial condition, mergers or business acquisitions

The company has only one client representing more than 10% of total revenue.

Early termination risk

If we should fail to deliver our services according to contractual agreements, some of our clients could elect to terminate contracts before their agreed expiry date, which would result in a reduction of our earnings and cash flow and may impact the value of our backlog. We have a strong record of successfully meeting or exceeding our clients' needs. We take a professional approach to business, and our contracts are written to clearly identify the scope of our responsibilities and minimize risks. In addition, a number of our outsourcing contractual agreements have termination for convenience and change of control clauses according to which a change in the client's intentions or a change in control of CGI could lead to a termination of the said agreements.

Credit risk concentration with respect to trade receivables

We generate more than 10% of our revenue (12.2% in fiscal 2008) from the subsidiaries and affiliates of BCE. However, it is our belief that we are not subject to any significant credit risk in view of our large and diversified client base.

Cost estimation risks

In order to generate acceptable margins, our pricing for services is dependent on our ability to accurately estimate the costs and timing for completing projects or long-term outsourcing contracts. In addition, a significant portion of our project-orientated contracts are performed on a fixed-price basis. Billing for fixed-price engagements is made in accordance with the contract terms agreed upon with our client, and revenue is recognized based on the percentage of effort incurred to date in relation to the total estimated costs to be incurred over the duration of the respective contract. These estimates reflect our best judgment regarding the efficiencies of our methodologies and professionals as we plan to apply them to the contracts. We manage all client contracts in accordance with the CGI Client Partnership Management Framework ("CPMF"), a process framework which helps ensure that all contracts are managed according to the same high standards throughout the organization. As a result of the CPMF, there is a high degree of rigour and discipline used to accurately estimate the cost of client engagements. However, unexpected factors, including those outside of our control, could have an impact on costs or the delivery schedule which could have an adverse impact on our expected profit margins.

Our partners' ability to deliver on their commitments

Increasingly large and complex contracts may require that we rely on third party subcontractors including software and hardware vendors to help us fulfil our commitments. Our success depends on the ability of the third parties to deliver their obligations within agreed upon budgets and timeframes. If our partners fail to deliver, our ability to complete the contract may be adversely affected, which may have an unfavourable impact on our profitability.

Guarantees risk

In the normal course of business, we enter into agreements that may provide for indemnification and guarantees to counterparties in transactions such as consulting and outsourcing services, business divestitures, lease agreements and financial obligations. These indemnification undertakings and guarantees may require us to compensate counterparties for costs and losses incurred as a result of various events, including breaches of representations and warranties, intellectual property right infringement, claims that may arise while providing services or as a result of litigation that may be suffered by counterparties.

Government business risk

Changes in federal, provincial or state government spending policies or budget priorities could directly affect our financial performance. Among the factors that could harm our government contracting business are the curtailment of the government's use of consulting and IT services firms; a significant decline in spending by the governments, in general, or by specific departments or agencies in particular; the adoption of new laws or regulations that affect companies that provide services to governments; delays in the payment of our invoices by government payment offices; and general economic and political conditions. These or other factors could cause government agencies and departments to reduce their purchases under contracts, to exercise their right to terminate contracts, to issue temporary stop work orders, or not to exercise options to renew contracts, any of which would cause us to lose future revenue. Our client base in the government economic sector is very diversified with contracts from many different departments and agencies in the U.S. and Canada; however, government spending reductions or budget cutbacks at these departments or agencies could materially harm our continued performance under these contracts, or limit the awarding of additional contracts from these agencies.

Legal claims made against our work

We create, implement and maintain IT solutions that are often critical to the operations of our clients' business. Our ability to complete large projects as expected could be adversely affected by unanticipated delays, renegotiations, and changing client requirements or project delays. Such problems could subject us to legal liability, which could adversely impact our business, operating results and financial condition, and may negatively affect our professional reputation. We typically include provisions in our contracts which are designed to limit our exposure to legal claims relating to our services and the applications we develop. These provisions may not protect us or may not be enforceable under some circumstances or under the laws of some jurisdictions.

Risks Related to Business Acquisitions

Difficulties in executing our acquisition strategy

A significant part of our growth strategy is dependent on our ability to continue making niche acquisitions to increase the breadth and depth of our service offerings as well as large acquisitions to specifically increase our critical mass in the U.S. and Europe. We cannot, however, make any assurances that we will be able to identify any potential acquisition candidates, consummate any additional acquisitions or that any future acquisitions will be successfully integrated into our operations and provide the tangible value that had been expected. Without additional acquisitions, we are unlikely to maintain our historic or expected growth rates.

Our management faces a complex and potentially time-consuming task in implementing uniform standards, controls, procedures and policies across our business units. Integrating businesses can result in unanticipated operational problems, expenses and liabilities. In addition, to the extent that management is required to devote significant time, attention and resources to the integration of operations, personnel and technology, our ability to service current clients may be reduced, which may adversely affect our revenue and profitability.

Risks Related to the Market

Economic risk

An economic downturn may cause our revenue to decline. The level of business activity of our clients, which is affected by economic conditions, has a bearing upon the results of our operations. We can neither predict the impact that current economic conditions will have on our future revenue, nor predict when economic conditions will show meaningful improvement. During an economic downturn, our clients and potential clients often cancel, reduce or defer existing contracts and delay entering into new engagements. In general, companies also decide to undertake fewer IT systems projects during difficult economic times, resulting in limited implementation of new technology and smaller engagements. Because there are fewer engagements in a downturn, competition usually increases and pricing for services may decline as competitors, particularly

companies with significant financial resources, decrease rates to maintain or increase their market share in our industry and this may trigger pricing adjustments related to the benchmarking obligations within our contracts. Our pricing, revenue and profitability could be negatively impacted as a result of these factors.

LEGAL PROCEEDINGS

From time to time, the Company is involved in legal proceedings, audits, claims and litigation arising in the ordinary course of its business. Certain of these matters seek damages in significant amounts. Although, the outcome of such matters is not predictable with assurance, the Company has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Company's financial position, results of operations or the ability to carry on any of its business activities. As at September 30, 2008, the Company was involved in claims of approximately $140.0 million and counterclaims exceeding $160.0 million.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Related Party Transactions

The charter of the *Audit and Risk Management Committee* requires that the committee review all related party transactions.

Innovapost Inc.

In the normal course of business, CGI is party to contracts with Innovapost, a joint venture, pursuant to which CGI is its preferred IT supplier. The Company exercises joint control over Innovapost's operating, financing and investing activities through its 49% ownership interest.

Lease of an Aircraft

In September 2005, in accordance with its mandate, the *Audit and Risk Management Committee* reviewed and recommended the approval of a transaction in which the Company leased a private aircraft for use on Company business from a leasing company which had acquired it from a limited partnership of which Serge Godin, CGI's *Founder and Executive Chairman of the Board*, was the sole limited partner. Following approval by the Board of Directors on September 26, 2005, a financial lease was entered into on December 5, 2005.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent for the Company's Class A subordinate voting shares and Class B shares is Computershare Investor Services Inc. whose head office is situated in Toronto,Ontario. Share transfer service is available at Computershare's Montreal, Quebec, and Toronto, Ontario, offices as well as at the principal office of Computershare Trust Company, N.A. in Golden, Colorado.

AUDITORS

The auditors of the Company are Deloitte & Touche LLP. They have confirmed their independence to the Company's Audit and Risk Management Committee.

ADDITIONAL INFORMATION

The Company will provide to any person, upon request to the Corporate Secretary of the Company, (i) a copy of the *Annual Information Form* of the Company, together with one copy of any document, or the pertinent pages of any document incorporated by reference in the *Annual Information Form*, (ii) a copy of the comparative financial statements of the Company for the year ended September 30, 2008 together with the accompanying report of the auditor and one copy of any subsequent interim financial statements, (iii) a copy of the *Management Proxy Circular* dated December 12, 2008 and (iv) a copy of the business booklet and of the financial booklet of the *2008 Annual Report* of the Company.

Additional information including directors' and officers' remuneration and indebtedness, securities authorized for issuance under equity compensation plans and principal holders of the Company's shares is included in the *Management Proxy Circular* dated December 12, 2008.

Additional financial information in relation to the last fiscal year ended September 30, 2008, is presented in the audited consolidated financial statements (pages 29 to 67) and in the *Management's Discussion & Analysis* (pages 4 to 28), in the financial booklet of the *2008 Annual Report* entitled *Numbers*.

The documents mentioned above are available on www.sedar.com and on the Company's web site at www.cgi.com as well as at the Company's head office:

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7th Floor
Montreal, Quebec
H3A 2M8
Telephone: (514) 841-3200
Fax: (514) 841-3299

APPENDIX A

CGI GROUP INC.

FUNDAMENTAL TEXTS

The following documents form part of CGI's *Fundamental Texts* and may be found on the pages indicated below:

Mission, Vision, Dream and Values	2
CGI Management Foundation	12
Charter of the Board of Directors	18
Charter of the Corporate Governance Committee	27
Charter of the Human Resources Committee	33
Charter of the Audit and Risk Management Committee	38
Code of Ethics and Business Conduct	49
Executive Code of Conduct	67
Guidelines on Timely Disclosure of Material Information and Transactions in Securities of CGI Group Inc. by Insiders	70

Fundamental Texts
of CGI Group Inc.

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November 2008
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Presentation

This set of documents presents the fundamental texts that define CGI and its management approach. The fundamental texts address not only members of the board of directors, CGI's executive team and the company's shareholders, but also all CGI members as well as anyone who wishes to consult them. Their main objective is to provide a better understanding of the most essential aspects of the company. It is our hope that this understanding will generate a shared vision of what constitutes CGI and of the community of thought that is essential to the company's success. The document will also provide all CGI members with an understanding that will allow them to participate fully in the life of the company and to better represent CGI.

THE FUNDAMENTAL TEXTS INCLUDE:

1. Dream, Mission, Vision and Values **2**
2. CGI Management Foundation **12**
3. Documents and Policies Pertaining to Corporate Governance **17**
3.1 Charter of the Board of Directors 18
3.2 Charter of the Corporate Governance Committee 27
3.3 Charter of the Human Resources Committee 33
3.4 Charter of the Audit and Risk Management Committee 38
4. Codes of Ethics **48**
4.1 Code of Ethics and Business Conduct for members, officers and directors of GCI 49
4.2 Executive Code of Conduct 49
4.3 Guidelines on Timely Disclosure of Material Information and Transactions in Securities of CGI by Insiders 67
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Appendix **94**

1.

Dream, Mission, Vision and Values

Dream, Mission, Vision and Values

This document constitutes Chapter 1 of the Fundamental Texts of CGI Group Inc. It begins with the mission statement of the company and is followed by the vision, the dream and the values of CGI. By "dream," we essentially mean the intent or initial desire that led to the creation of our company and continues to drive its operation and growth. It also extends to the main principles and governing ideas that define the company's philosophy in its important cultural and organic aspects. This presentation of CGI's dream and values is therefore intended to impart in a succinct manner the company's character, essence, dynamism, values and culture, and the creative impulse that culminated in its creation and of which it is an extension.

A. THE CGI DREAM

A number of governing ideas inspired the creation of CGI and continue to drive its development. These ideas constitute what we call the CGI "dream." It is a dream based on a set of values to which we are profoundly attached.

The dream has allowed us to assemble, all around the world, a team of extraordinary men and women who share it and are building a company that reflects their aspirations - who are, in fact, building their "own" company. Over the years, our team has built a clientele we are extremely proud of and whom we are dedicated to serving with the utmost skill.

This dream has its roots in the original and simple idea that first motivated CGI's founders when they created the company:

"To create an environment in which we enjoy working together and, as owners, contribute to building a company we can be proud of."

From this very basic idea grew an entire business philosophy.

It goes without saying that creating this type of environment is particularly challenging in consulting companies such as ours. Personnel generally work at client locations, making it difficult to develop a sense of belonging through a shared workplace. There is the risk of certain people being "forgotten" when they spend long periods at a client site, and this risk is amplified when these individuals have few CGI colleagues working on the same engagement.

B. THE CGI MISSION AND VISION

The mission of CGI is to help our clients with professional services of outstanding quality, competence and objectivity, delivering the best solutions to fully satisfy client objectives in information technology, business processes and management.

In all we do, we foster a culture of partnership, intrapreneurship, teamwork and integrity, building a world class IT and business process services company.

With this mission statement, we are endeavouring to describe not only the company's purpose, but also our ambition and values. In doing so, we hope, in a few words, to advance an overall understanding of these essential aspects of CGI.

Our vision is to be a world class IT and business process services leader helping our clients win and grow.

The following section will foster a more thorough comprehension of the dream associated with this mission and the values referred to in the mission statement.

C. THE CGI CULTURE AND VALUES

To succeed in creating a highly favourable environment within such a context, CGI has fostered a corporate culture rooted in participation in the company and focused on each of its members. Developing a corporate culture, despite members often working at a distance, began with explicitly defining and then sharing common values. Our fundamental belief is that a company with an inspiring dream, unparalleled integrity, a caring, humane management philosophy and solid values is better able to attract and respond to the profound aspirations of remarkably high-calibre, competent people. These people in turn will seek out a select clientele, one aware of the company's values, and will deliver high-quality services at a competitive price, while meeting the company's profitability objectives. The growth and profitability generated as a result will allow CGI to offer its shareholders a superior and sustained return on their investment.

To support our dream and to create such an environment, we have adhered to a number of principles or governing ideas:

1. Sharing the same values
2. Embracing the objectives of our clients
3. Adopting a caring, humane approach towards our members
4. Focusing on synergy and the strength of teamwork
5. Participating in the development of our company as its owner-shareholders, and sharing in its wealth
6. Promoting robust, healthy and sustainable growth to the benefit of all stakeholders
7. Implementing a management model aligned with our dream and values

1. SHARING THE SAME VALUES

Sharing the same values allows us to enjoy considerable autonomy and swiftness of action without compromising our cohesiveness. It also allows us to mobilize teams more rapidly and bring together the most experienced individuals from across the company, who are able to quickly work as one to address a given challenge. And, of course, these values also guide our decisions and actions.

PARTNERSHIP AND QUALITY

For us, partnership and quality are both a philosophy and a way of life. We develop and follow the best management practices and we entrench these approaches into client relationships and service delivery frameworks in order to foster long term and strong partnerships with our clients. We listen to our clients and we are committed to their total satisfaction in everything we do.

OBJECTIVITY AND INTEGRITY

We exercise the highest degree of independent thinking in selecting the products, services and solutions we recommend to clients. In doing so, we adhere to the highest values of quality, objectivity and integrity. Consequently, strict rules of business and professional conduct are applied. We do not accept any remuneration from suppliers.

INTRAPRENEURSHIP AND SHARING

Our success is based on the competence, commitment and enthusiasm of our members. Therefore, we promote a climate of innovation and initiative where we are empowered with a sense of ownership in supporting clients, thus ensuring the firm’s profitable growth. Through teamwork, sharing our know-how and expertise, we bring the best of CGI to our clients. As members, we share in the value we create through equity ownership and profit participation.

RESPECT

As a global company, we recognize the richness that diversity brings to the company and welcome this diversity while embracing the overall CGI culture. In all we do, we are respectful of our fellow members, clients, business partners and competitors.

FINANCIAL STRENGTH

We strive to deliver strong, consistent financial performance which sustains long term growth and rewards our members and shareholders.

Financial strength enables us to continuously invest and improve services and business solutions to the benefit of our clients. To this end, we manage our business to generate industry superior returns.

CORPORATE SOCIAL RESPONSIBILITY

Our business model is designed to ensure that we are close to our clients and communities. We embrace our social responsibilities and contribute to the continuous development of the communities in which we live and work.

2. EMBRACING THE OBJECTIVES OF OUR CLIENTS

At CGI, we believe that accomplishing outstanding work provides one with a strong sense of fulfilment. Our high-quality work allows us to forge rewarding relationships with our colleagues and clients and to experience the pleasure of our own creativity when we find an ideal solution to address our clients' needs.

To this end, we strongly encourage our members to develop a listening attitude to ensure that an understanding of the client's particular situation and needs takes priority in all that we do. For this reason, we foster a culture of independence, objectivity and integrity. We want our clients to know that we understand their objectives and are committed to finding the solution that is right for them. Our flexibility in establishing customized business relationships demonstrates our keen interest in our clients' objectives, cultural environment and values.

This in-depth understanding of our clients' objectives is one of the keys to our success and is as present in our short-term engagements as it is in our outsourcing contracts extending over multiple years.

However, embracing the objectives of our clients goes far beyond simply understanding them. It demands, for example, that we sincerely commit to offering the very best of ourselves in order to demonstrate to clients that we support them as completely as if we were their own employees. It is essential that they "experience our commitment."

3. ADOPTING A CARING, HUMANE APPROACH TOWARDS OUR MEMBERS

Although the demands of our industry are considerable, CGI has always believed that this in no way conflicts with the very humane and caring approach we take in all of the relationships we foster. And while our human resources policies and Member Partnership Management Framework embody this concern and commitment, for CGI, this is also an issue of maturity and genuine leadership. It is a question of the quality of "being." To foster this attitude of caring and sensitivity towards others, CGI has led by example. Since the inception of the company, this approach has been transmitted, most notably through the example set by

our founders as well as by teamwork and the CGI Leadership Institute, and is today an integral component of CGI's spirit and culture.

4. FOCUSING ON SYNERGY AND THE STRENGTH OF TEAMWORK

CGI favours the accomplishment of work through synergy, which refers to the pooling of our members' skills, experience and creative abilities in all aspects of corporate life. Whether deciding on the direction to take in a service proposal or determining the best solution for a client, we incorporate synergy into everything we do.

Normally, a synergy group will hold meetings at key milestones throughout the entire lifespan of a given engagement. The group not only includes subject matter experts, but also less experienced members, who gain knowledge from their colleagues and are therefore able to more rapidly hone their own expertise. The objective is always to find appropriate and proven solutions for our clients. This practice is entrenched in our Quality System, which has earned ISO 9001 certification.

The practice of synergy underscores an outstanding cultural trait: at CGI, we believe that we are stronger and that everyone benefits when we work as a team. Our clients receive services of higher quality, and our members constantly learn from one another through concrete achievements.

5. PARTICIPATING IN THE DEVELOPMENT OF OUR COMPANY AS ITS OWNER-SHAREHOLDERS

It is important that our members consider CGI as "their" company and that they participate in its growth and development. Involvement in professional groups that help maintain CGI's leadership position is just one of the many such forms of participation.

However, for this involvement in the company to be complete and rewarding, we feel it necessary that all CGI members be able to also share in the benefits generated by their activities. For this reason, since its founding, CGI has offered all of its members the opportunity to be shareholders and owners of their company. To this end, CGI has implemented a Share Purchase Plan, through which it pays half the cost of shares up to a certain amount. Members also qualify for a portion of the company's annual profits when objectives are met (Profit Participation Plan). This capital sharing opportunity has existed since CGI was established.

It is an approach that incorporates many advantages:

FOR OUR CLIENTS

Because of this approach, CGI has very few freelance or contract employees. This helps assure our clients that the experience we acquire

through working with them is more likely to remain in the company. Moreover, the people they deal with at CGI are also owners of the company and are therefore completely committed to producing high-quality, dependable work in order to strengthen the client relationship.

FOR OUR SHAREHOLDERS

Our external shareholders can rest assured that, as fellow owners, all of CGI's members have their mutual interests at heart, i.e. a desire to see the company grow and the drive to execute each contract in a way that will yield the targeted profit margin. This also impacts business development, for, as shareholders, our members strive to promote the company's growth, but will not sacrifice profitability by submitting counter-productive bids. And finally, shareholders are also assured that all of our members will manage the company's costs as if they were their own.

FOR OUR MEMBERS

As members and shareholders, we feel above all that the growth in value, which we are contributing to, does provide us with a lucrative return over the long term. It is indeed more stimulating to work for a company that values the sharing of wealth. This also guarantees greater transparency in the management of the company. Because we must communicate our financial results to everyone, all of CGI's managers are more accountable to the people they lead and are more likely to involve them in the decision process. We believe that our approach to corporate ownership fosters greater overall dynamism and cohesiveness of action. This also allows us to attract and retain individuals with a genuine desire to build and develop the company.

6. PROMOTING ROBUST, HEALTHY AND SUSTAINED GROWTH TO THE BENEFIT OF ALL STAKEHOLDERS

Robust, healthy and sustained growth is vital to the company's success. Much of our clientele consists of large companies with operations extending over many countries. We are committed to serving these clients well, often through long-term relationships that require us to deploy professionals in sufficient numbers where clients operate. The growth of our clients' business requires that we grow with them. Also, as a result of our success, an increasing number of clients call upon us to provide them with services. Robust growth is therefore intrinsic to the nature of the business we are in.

Growth is not only a vital component of our activities and essential to our clients, it also benefits our members. It provides them with an opportunity to embark upon new and stimulating challenges and develop their own potential. And growth, when financially healthy and profitable, clearly benefits all of our shareholders (including our member shareholders) through the value it generates.

To maintain healthy and sustained growth, it is important that the companies or groups that join our ranks be welcomed and well integrated into our operations. In order to succeed in its growth strategy, CGI has developed its integration capability into a core competency. This capacity to integrate is based on three main axes. The first axis is aimed primarily at welcoming newcomers, answering their legitimate questions, confirming their new conditions of employment and, above all, allowing them to discover CGI by sharing its dream and values. The second axis is directed towards establishing the various synergy goals linked to an acquisition or an outsourcing deal. This encourages all parties to understand that this combination of strengths offers new, stimulating opportunities. The third axis is aimed at assuring the organizational transition and a rapid transfer to the CGI Management Foundation, especially with regards to the Quality System.

It follows that there ought to be an equilibrium of interests among all of the company's core stakeholders: clients, members and shareholders.

It is of course also essential that, as it grows, our company continues to act as a responsible corporate citizen by respecting and supporting the communities in which it operates and by respecting the environment.

The following are a few concrete examples of how this balanced approach promotes the healthy and sustained growth of CGI:

- We must ensure, at every step of our growth, that we preserve the quality of the services we offer to our current and future clients.
- We must also ensure that our members are adequately prepared to face the new challenges we offer them and that they have the resources needed to accomplish their work.
- Growth must not come at the expense of the communities where we do business, or of the environment in general. In fact, we are committed to participating in the development of these communities and the protection of the environment.
- We strive to ensure that our growth and development efforts provide short-term benefits without negatively impacting our long-term

performance. We believe this also to be in the best interests of our shareholders.

When the above conditions are met, robust, healthy, balanced and sustainable growth will follow.

7. IMPLEMENTING A MANAGEMENT MODEL ALIGNED WITH OUR DREAM AND VALUES

CGI's dream is being fulfilled every day through the constant efforts of our members who share and believe in this dream. It is also achieved through a disciplined management approach that is based on the company's objectives to produce high quality work for its clients, promote the development of its members and provide high value to its shareholders.

2.
CGI Management Foundation

CGI Management Foundation

INTRODUCTION



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In the above diagram, we have assembled the key elements that define and guide the management of CGI. For this reason, these elements have been called the CGI Management "Foundation." They reflect our collective experience and have been developed to make our actions as efficient as possible. This efficiency must first and foremost respect a number of principles, which are themselves integrated into the CGI Management Foundation and deserve to be emphasized:

1) the primacy of the dream, the mission, the vision and the values of the company;

2) the equilibrium between the legitimate interests of our clients, members and shareholders;

3) the balance between the need to assure cohesiveness and rigour in the management of the company and the commitment to promote autonomy, initiative and entrepreneurship.

The CGI Management Foundation intends to guide rather than prescribe.

Thus, it offers a certain amount of freedom in order to remain focused on our essential goal: to provide high-quality services truly adapted to our clients' needs.

We will now examine the individual elements of the Foundation.

DREAM, MISSION, VISION, VALUES, QUALITY POLICIES, STRATEGIC DIRECTIONS AND PLANS



The first section of the diagram aims at ensuring that all decisions are well aligned on the dream, mission, vision and values of the company. These are described in the first section of this document.

The next component is our Quality Policy. It has earned ISO 9001 certification, which requires that CGI demonstrate every year to external evaluators that its Quality Policy is applied across all of its operations.

The final component of this uppermost section focuses on Strategic Directions and Plans. These are established on an annual and triennial basis according to a rigorous process that includes extensive participation from within the company as well as from our clients and our shareholders. The emphasis placed on involving all business units and corporate services in the planning process helps ensure that the objectives established and methods selected are shared by all to the fullest extent possible and that they generate enthusiastic commitment in their implementation.

GOVERNANCE POLICIES AND FRAMEWORKS, HUMAN RESOURCES POLICIES, FINANCIAL POLICIES AND ORGANIZATIONAL MODEL



The first component of the second section refers to the company's governance policies and frameworks. These policies and frameworks are comprised of the following documents:

1) The Charters of the Board of Director and its committees;

2) the Codes of Ethics, to which members, officers and directors of the company must adhere;

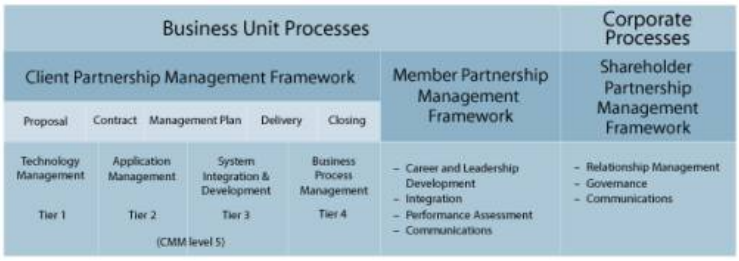
3) the Operations Management Framework, which outlines the delegation framework with respect to decision making (e.g. who may authorize and sign a million dollar proposal; who may authorize promotion to a vice-president's position).

The second component involves human resources policies. All new members of the CGI team are asked to read You and CGI, which outlines all of the company's human resources policies, from compensation and training to career development.

The third component focuses on financial policies. It covers how we determine our profitability objectives, target ratios (e.g. profit margins, maximum percentage allotted to certain expenses), how and when our financial results are prepared, the rules governing disclosure of results, etc. These policies and rules are outlined in a document under the responsibility of the Chief Financial Officer, and the most pertinent elements are communicated to all of our members.

Finally, the organizational model favoured by CGI is one that provides considerable autonomy to our business units. This model consists of creating business units in major cities in the regions that we serve. We also put a high priority on establishing solid business relationships within these regions, particularly with the decision makers from the companies operating in these cities. Each of these "metropolitan" business units is structured according to the key economic sectors served by CGI (finance, telecommunications, etc.). The implementation of a service offering for clients which have operations in multiple regions or countries is achieved through collaboration among business units, which, in the case of large contracts and particularly those involving outsourcing, can result in entire business units being dedicated to our major clients or to groups of clients who share the same needs. Consulting services and centres of expertise throughout CGI ensure that knowledge, strategies and leading-edge solutions are shared within the entire company.

BUSINESS UNIT PROCESSES AND PARTNERSHIP MANAGEMENT FRAMEWORKS



The Business Unit Processes explain how the Client Partnership Management Framework and the Member Partnership Management Framework are applied locally in each business unit. They also describe how business development activities and other initiatives crucial to the smooth operation of each business unit should be managed.

The activities at the core of the operational management of CGI are aligned onto three management frameworks: the Client Partnership Management Framework, the Member Partnership Management Framework and the Shareholder Partnership Management Framework. These frameworks are the cornerstones of a continuous improvement process that is supported by the documentation and the systematic, audited application of our best

practices. The process is also constantly fuelled by client, member and shareholder evaluations of our activities and performance.

The first is the Client Partnership Management Framework. CGI's leadership position in its industry is contingent upon its ability to deliver services of the highest quality to its clients at competitive prices and within the established time frames. The Client Partnership Management Framework is the basis of how we manage our relationships with our clients. For each of type of mandates (outsourcing, projects, and consulting services), this framework guides our teams in the achievement of all phases of their work, from the proposal to its completion of the mandate. It is based not only on our best practices, but also relies on the industry's best standards and practices. A rigorous, regular program to evaluate the satisfaction of our clients allows us to measure our progress and continuously improve our practices. This evaluation is conducted on a face-to-face basis with the client, who must sign the evaluation. Each year, CGI establishes improvement objectives based on the results obtained the previous year.

The Member Partnership Management Framework guides all of our managers through the communications and dialogue activities they have with their teams. This cycle begins with welcoming activities and is followed by informal meetings, team meetings at various levels, career planning and performance reviews. We measure the satisfaction of our members annually through a survey conducted by an outside firm. Members can also use the survey to communicate their observations and suggestions to the head of their business unit or the CGI executive team. The results are published, and commitments are made by the leaders of both the business units and the company itself to address the comments submitted and make needed improvements.

The Shareholder Partnership Management Framework describes our information and relationship program with our investors beyond the prescribed activities associated with corporate governance, transparency and the disclosure of results.



The final section refers to the way we measure our results. First and foremost, we systematically measure the satisfaction levels of active clients regularly. We also measure member satisfaction annually, and we are currently developing a shareholder satisfaction measurement tool.

3.

Documents and Policies Pertaining to Corporate Governance

Documents and Policies Pertaining to Corporate Governance

3.1 Charter of the Board of Directors

IMPORTANT NOTE

Chapter 1, Dream, Mission, Vision and Values of the CGI Group Inc. Fundamental Texts constitutes the fundamental principles of this Charter. This Charter should therefore be read in conjunction with Chapter 1.

1. INTERPRETATION

"Financially Literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

"Independent Director" means a director who meets the independence criteria set out in section 1.4 of Multilateral Instrument 52-110 Audit Committees adopted by the Canadian Securities Administrators and as amended and in effect as of June 30, 2005, which is reproduced in Appendix A.

2. OBJECTIVES

CGI's shareholders are the first and most important element in the Company's governance structures and processes. At each annual general meeting, the Company's shareholders elect the members of the Company's Board of Directors and give them a mandate to manage and oversee the management of the Company's affairs for the coming year.

In the normal course of operations, certain corporate actions which may be material to CGI are initiated from time to time by the Company's senior management and, at the appropriate time, are submitted to CGI's Board of Directors for consideration and approval. When appropriate, such matters are also submitted for consideration and approval by CGI's shareholders. All such approvals are sought in accordance with the charters of the Board of Directors and standing committees, CGI's corporate governance practices and applicable corporate and securities legislation.

The overall stewardship of the Company is the responsibility of the Board of Directors. In accomplishing the mandate it receives from the Company's shareholders, the Board of Directors may delegate certain of

its authority and responsibilities to committees and management and reserve certain powers to itself. Nonetheless, it will retain full effective control over the Company.

3. COMPOSITION

3.1 The majority of the Board of Directors shall be comprised of Independent Directors. The application of the definition of Independent Director to the circumstances of each individual director is the responsibility of the Board of Directors which will disclose on an annual basis whether it is constituted with the appropriate number of directors which are Independent Directors and the basis for its analysis. The Board of Directors will also disclose which directors are Independent Directors or not and provide a description of the business, family, direct and indirect shareholding or other relationship between each director and the Company.

3.2 The Company expects and requires directors to be and remain free of conflictual interests or relationships and to refrain from acting in ways which are actually or potentially harmful, conflictual or detrimental to the Company's best interests. Each director shall comply with the Company's formal code of ethics and business conduct that governs the behaviour of members, directors and officers and shall complete and file annually with the Company any and all documents required pursuant to such formal code of ethics and business conduct with respect to conflict of interests. This matter will also be reviewed annually by the Corporate Governance Committee. The Board of Directors will monitor compliance with said code as well as with the Company's executive code of conduct applicable to its principal executive officer, principal financial officer, principal accounting officer or controller, or other persons performing similar functions within the Company. The Board will also be responsible for the granting of any waivers from compliance with the codes for directors and officers. The Board of Directors will disclose in due time the adoption of such codes as well as all waivers and specify the circumstances and rationale for granting the waiver.

3.3 The Board of Directors, following advice of its Corporate Governance Committee, is responsible for evaluating its size and composition and establishing a Board comprised of members who facilitate effective decision-making. The Board of Directors has the ability to increase or decrease its size.

3.4 It is a general requirement under the Company’s corporate governance practices that all directors possess both financial and operational literacy. In addition, the membership of the Board of Directors will include a sufficient number of directors who are Financially Literate and at least one director who qualifies as a financial expert as defined in the applicable corporate governance rules imposed by regulatory bodies in order to ensure that the Audit

and Risk Management Committee membership complies with those rules.

3.5 A director who makes a major change in principal occupation will forthwith disclose this fact to the Board of Directors and will offer his or her resignation to the Board of Directors for consideration. It is not intended that directors who retire or whose professional positions change should necessarily leave the Board of Directors. However, there should be an opportunity for the Board of Directors to review the continued appropriateness of the Board of Directors membership under such circumstances.

3.6 The Board of Directors is responsible for approving new nominees to the Board. New directors will be provided with an orientation and education program which will include written information about the duties and obligations of directors, the business and operations of the Company, documents from recent Board of Directors meetings and opportunities for meetings and discussion with senior management and other directors. The details of the orientation of each new director will be tailored to that director's individual needs and areas of interest. The prospective candidates should fully understand the role of the Board of Directors and its committees and the contribution expected from individual directors and the Board of Directors will ensure that they are provided with the appropriate information to that effect. In addition, the Board of Directors will ascertain and make available to its members, when required, continuing education as per the business and operations of the Company.

4. RESOURCES

4.1 The Board of Directors will implement structures and procedures to ensure that it functions independently of management.

4.2 The Board of Directors appreciates the value of having certain members of senior management attend each Board of Directors meeting to provide information and opinion to assist the directors in their deliberations. The Executive Chairman of the Board will seek the Board of Directors' concurrence in the event of any proposed change to the management attendees at Board of Directors meetings. Management attendees will be excused for any agenda items which are reserved for discussion among directors only.

5. RESPONSIBILITIES AND DUTIES

The principal responsibilities and duties of the Board of Directors include the following, it being understood that in carrying out their responsibilities and duties, directors may consult with management and may retain external advisors at the expense of the Company in appropriate circumstances. Any engagement of external advisors shall be subject to the approval of the Chairof the Corporate Governance Committee.

5.1 General Responsibilities

5.1.1 The Board of Directors will oversee the management of the Company. In doing so, the Board of Directors will establish a productive working relationship with the Executive Chairman of the Board and the Chief Executive Officer and other members of senior management.

5.1.2 The Board of Directors will oversee the formulation of long-term strategic, financial and organizational goals for the Company. It shall approve the Company's strategic plan and review same on at least an annual basis. This plan will take into account the opportunity and risks of the Company's business.

5.1.3 As part of the responsibility of the Board of Directors to oversee management of the Company, the Board of Directors will engage in active monitoring of the Company and its affairs in its stewardship capacity.

5.1.4 The Board of Directors will engage in a review of short and long-term performance of the Company in accordance with approved plans.

5.1.5 The officers of the Company, headed by the Executive Chairman of the Board and the Chief Executive Officer, shall be responsible for general day to day management of the Company and for making recommendations to the Board of Directors with respect to long term strategic, financial, organizational and related objectives.

5.1.6 The Board of Directors will periodically review the significant risks and opportunities affecting the Company and its business and oversee the actions, systems and controls in place to manage and monitor risks and opportunities. The Board of Directors may impose such limits as may be in the interests of the Company and its shareholders.

5.1.7 The Board of Directors will oversee how the Company communicates its goals and objectives to its shareholders and other relevant constituencies.

5.1.8 The Board of Directors will oversee the succession planning including appointing, training and monitoring senior management and the Executive Chairman of the Board in particular.

5.1.9 The Board of Directors is responsible for overseeing a Communication Policy for the Company. In doing so, the Board of Directors will ensure that the policy (i) addresses how the Company interacts with analysts, investors, other key stakeholders and the public, (ii) contains measures for

the Company to comply with its continuous and timely disclosure obligations and to avoid selective disclosure, and (iii) is reviewed at least annually.

5.1.10 The Board of Directors will oversee the integrity of the Company's internal control and management information systems.

5.1.11 The Board of Directors will make sure that the Company adopt prudent financial standards with respect to the business of the Company and prudent levels of debt in relation to the Company's consolidated capitalization.

5.1.12 The Board of Directors will also consider and approve:

i) transactions out of the ordinary course of business including, without limitation, proposals on mergers, acquisitions or other major investments or divestitures;

ii) all matters that would be expected to have a major impact on shareholders;

iii) the appointment of any person to any position that would qualify such person as an officer of the Company; and

iv) any proposed changes in compensation to be paid to members of the Board of Directors on the recommendation of the Human Resources Committee.

5.1.13 The Board of Directors will also receive reports and consider:

i) The quality of relationships between the Company and its key customers;

ii) Changes in the shareholder base of the Company from time to time and relationships between the Company and its significant shareholders;

iii) Periodic reports from Board of Directors' committees with respect to matters considered by such committees;

iv) Health, safety and environmental matters as they affect the Company and its business; and

v) Such other matters as the Board of Directors may, from time to time, determine.

5.1.14 The Board of Directors will oversee management through an ongoing review process.

5.1.15 The Board of Directors will, together with the Executive Chairman of the Board develop a position descriptions for the Executive Chairman of the Board and the Chief Executive Officer. The Board of Directors will also approve the corporate objectives that the Executive Chairman of the Board is responsible for meeting and assess management's performance in relation to such objectives. The Board of Directors will raise any concerns related to the performance of the Chief Executive Officer with the Executive Chairman of the Board as appropriate.

5.1.16 The Board of Directors will receive a report from its Human Resources Committee on succession planning as set forth in such committee's mandate.

5.2 Annual Assessment of the Board of Directors

The Board of Directors will annually review the assessment of the Board of Directors' performance and recommendation provided by the Corporate Governance Committee. The objective of this review is to increase the effectiveness of the Board of Directors and contribute to a process of continuous improvement in the Board of Directors' execution of its responsibilities. It is expected that the result of such reviews will be to identify any areas where the directors and/or management believe that the Board of Directors and/or the directors individually could make a better contribution to the affairs of the Company. The Board of Directors will take appropriate action based upon the results of the review process.

5.3 Committees

5.3.1 The Board of Directors shall appoint committees to assist it in performing its duties and processing the quantity of information it receives.

5.3.2 Each committee operates according to a Board of Directors approved written mandate outlining its duties and responsibilities. This structure may be subject to change as the Board of Directors considers from time to time which of its responsibilities can best be fulfilled through more detailed review of matters in committee.

5.3.3 The Board of Directors will review annually the work undertaken by each committee and the responsibilities thereof.

5.3.4 The Board of Directors will annually evaluate the performance and review the work of its committees, including their respective mandates and the sufficiency of such mandates.

5.3.5 The Board of Directors will annually appoint a Lead Director as well as a member of each of its committees to act as Chair of the committee.

5.3.6 Subject to subsection 5.3.8, committees of the Board of Directors shall be composed of a majority of Independent Directors.

5.3.7 The Board of Directors shall appoint members of committees after considering the recommendations of the Corporate Governance Committee and the Executive Chairman of the Board as well as the skills and desires of individual Board members, all in accordance with the mandates of such committees approved by the Board.

5.3.8 The Audit Committee shall be composed only of Independent Directors. All members of the Audit Committee shall be Financially Literate and at least one member shall be a financial expert within the meaning of applicable regulatory requirements.

5.4 Lead Director

5.4.1 The Lead Director shall be an Independent Director. He will oversee that the Board of Directors discharges its responsibilities, ensure that the Board of Directors evaluates the performance of management objectively and that the Board of Directors understands the boundaries between the Board of Directors and management responsibilities.

5.4.2 The Lead Director will chair periodic meetings of the Independent Directors and assume other responsibilities which the Independent Directors as a whole might designate from time to time.

5.4.3 The Lead Director should be able to stand sufficiently back from the day-to-day running of the business to ensure that the Board of Directors is in full control of the Company's affairs and alert to its obligations to the shareholders.

5.4.4 The Lead Director shall provide input to the Executive Chairman of the Board on preparation of agendas for Board and committee meetings.

5.4.5 The Lead Director shall chair Board meetings when the Executive Chairman of the Board is not in attendance, subject to the provisions of the by-laws of the Company.

5.4.6 The Lead Director shall provide leadership for the independent directors and ensure that the effectiveness of the Board is assessed on a regular basis.

5.4.7 The Lead Director shall set the agenda for the meetings of the Independent Directors.

5.4.8 The Lead Director shall report to the Board concerning the deliberations of the independent directors as required.

5.4.9 The Lead Director shall, in conjunction with the Executive Chairman of the Board, facilitate the effective and transparent interaction of Board members and management;

5.4.10 The Lead Director shall provide feedback to the Executive Chairman of the Board and act as a sounding board with respect to strategies, accountability, relationships and other issues.

5.5 Review of the Board Mandate

In order to ensure that this mandate is kept current in the light of changes which may occur in corporate practice or the structure of the Company, the Board of Directors will annually reconfirm this mandate or initiate a review to revise it.

5.6 Board of Directors Compensation

The Human Resources Committee will review the adequacy and form of compensation of the senior management and directors each year. The Committee shall make recommendations to the Board of Directors for consideration when it believes changes in compensation are warranted. Furthermore, the Board of Directors will ensure the compensation realistically reflects the responsibility and risk involved in being a director.

6. COMMUNICATIONS POLICY

6.1 The Board of Directors will consider and review the means by which shareholders can communicate with the Company including the opportunity to do so at the annual meeting, communications interfaces through the Company's website and the adequacy of resources available within the Company to respond to shareholders through the office of the Corporate Secretary and otherwise. However, the Board of Directors believes that it is the function of the management to speak for the Company in its communications with the investment community, the media, customers, suppliers, employees, governments and the general public. It is understood that individual directors may from time to time be requested by management to assist with such communications. It is expected, if communications from stakeholders are made to individual directors, management will be informed and consulted to determine any appropriate response.

6.2 The Board of Directors has the responsibility for monitoring compliance by the Company with the corporate governance requirements and guidelines of the Toronto Stock Exchange and the New York Stock Exchange. The Board of Directors will approve the disclosure of the Company's system of governance and the operation of such system.

3.2 Charter of the Corporate Governance Committee

IMPORTANT NOTE

Chapter 1, Dream, Mission, Vision and Values of the CGI Group Inc. Fundamental Texts constitutes the fundamental principles of this Charter. This Charter should therefore be read in conjunction with Chapter 1.

1. INTERPRETATION

"Committee" means the Corporate Governance Committee of the Board of Directors of the Company.

"Independent Director" means a director who meets the independence criteria set out in section 1.4 of Multilateral Instrument 52-110 Audit Committees adopted by the Canadian Securities Administrators and as amended and in effect as of June 30, 2005, which is reproduced in Appendix A.

2. OBJECTIVES

The Committee is responsible for: (a) developing the Company's approach to Board governance issues and the Company's response to the corporate governance guidelines; (b) reviewing the composition and contribution of the Board and its members and recommending Board nominees; (c) overseeing the orientation program for new directors; and (d) helping to maintain an effective working relationship between the Board of Directors of the Company and management.

3. COMPOSITION

3.1 The Committee shall be composed of a majority of Independent Directors.

3.2 The Board of Directors shall appoint an independent director as the Chair of the Committee. If the Chair is absent from a meeting, the members shall select a Chair from those in attendance to act as Chair of the meeting.

4. MEETINGS

4.1 Meetings of the Committee shall be held at the call of the Chair, but not less than twice annually. Meetings of the Committee may be called by the Chair of the Committee, the Executive Chairman of the Board or the Chief Executive Officer.

4.2 The powers of the Committee shall be exercisable by a meeting at which a quorum is present. A quorum shall be not less than two members of the Committee from time to time. Subject to the

foregoing requirement, unless otherwise determined by the Board of Directors, the Committee shall have the power to fix its quorum and to regulate its procedure. Matters decided by the Committee shall be decided by majority vote.

4.3 Notice of each meeting shall be given to each member, to the Executive Chairman of the Board, to the Chief Executive Officer and to the Corporate Secretary of the Company.

4.4 The Committee may invite from time to time such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee, including in particular the Chief Executive Officer.

4.5 The Committee shall appoint a secretary to be the secretary of all meetings of the Committee and to maintain minutes of all meetings and deliberations of the Committee.

5. RESPONSIBILITIES AND DUTIES

5.1 Role and responsibilities of the Committee Chair:

5.1.1 The Chair of the Committee:

5.1.1.1 Provides leadership for the committee by ensuring that:

(i) The responsibilities of the committee are well understood by committee members and management.

(ii) The committee works as a cohesive team.

(iii) Adequate resources and timely and relevant information are available to the committee to support its work.

(iv) The effectiveness of the committee is assessed on a regular basis.

(v) The committee's structure and mandate is appropriate and adequate to support the discharge of the committee's responsibilities.

(vi) The scheduling, organization and procedures of committee meetings provide adequate time for the consideration and discussion of relevant issues.

5.1.1.2 Works with the Executive Chairman of the Board and Corporate Secretary to set the calendar of the committee's regular meetings.

5.1.1.3 Has the authority to convene special meetings as required.

5.1.1.4 Sets the agenda in collaboration with the Executive Chairman of the Board and the Corporate Secretary.

5.1.1.5 Presides at meetings.

5.1.1.6 Acts as liaison with management with regard to the work of the committee.

5.1.1.7 Reports to the Board concerning the work of the committee.

5.1.1.8 Exercises the authority specifically delegated to the Chair by the Committee, if any.

5.2 General Responsibilities

Board Members

5.2.1 Review criteria regarding the composition of the Board of Directors and committees of the Board of Directors, such as size, proportion of Independent Directors and as to criteria to determine "relatedness" as well as profile of the Board of Directors (age, geographical representation, disciplines, etc.) and establish a Board of Directors comprised of members who facilitate effective decision-making.

5.2.2 Review criteria relating to tenure as a director, such as limitations on the number of times a director may stand for re-election, and the continuation of directors in an honorary or similar capacity.

5.2.3 Review criteria for retention of directors unrelated to age or tenure, such as attendance at Board of Directors and committee meetings, health or the assumption of responsibilities which are incompatible with effective Board of Directors membership; and assess the effectiveness of the Board of Directors as a whole, the committees of the Board of Directors, the contribution of individual directors on an ongoing basis and establish in light of the opportunities and risks facing the Company, what competencies, skills and personal qualities it seeks in new Board members in order to add value to the Company.

5.2.4 Recommend to the Board of Directors the list of candidates for directors to be nominated for election by shareholders at annual meetings of shareholders.

5.2.5 Recommend to the Board of Directors candidates to fill vacancies on the Board of Directors occurring between annual meetings of shareholders.

5.2.6 Recommend to the Board of Directors the removal of a director in exceptional circumstances, for example (a) such director is in a position of conflict of interest or (b) the criteria underlying the appointment of such director change.

5.2.7 Ensure that the Board of Directors can function independently of management. To this end, arrange for meetings on a regular basis of the Independent Directors without management present. In such cases, meetings will be chaired by the Lead Director.

Director Orientation

5.2.8 As an integral element of the process for appointing new directors, put in place an orientation and education program for new recruits to the Board of Directors and review from time to time the value and benefit of such program.

Compliance

5.2.9 Ensure corporate compliance with applicable legislation including director and officer compliance.

5.2.10 Review proposed amendments to the Company's by-laws before making recommendations to the Board of Directors.

Codes of Business Conduct

5.2.11 Periodically review and make recommendations to the Board of Directors with respect to the Company's formal code of ethics and business conduct for its members, directors and officers and its executive code of conduct applicable to the Company's principal executive officer, principal financing officer, principal accounting officer or controller, or other persons performing similar functions within the Company; including the disclosure of the adoption of such codes.

5.2.12 Monitor adherence to the codes and review potential situations related thereto brought to the attention of the Committee by the Corporate Secretary of the Company in order to recommend or not in certain circumstances to the Board of Directors to grant or not waivers from compliance with the codes for directors and officers. The Committee shall also ensure that when such waivers are granted, the Board of Directors shall disclose same in due time and

specify the circumstances and rationale for granting the waiver.

Corporate Governance Principles

5.2.13 Make recommendations to the Board of Directors as deemed appropriate in the context of adherence to corporate governance guidelines in effect from time to time.

5.2.14 In conjunction with the Executive Chairman of the Board of Directors, recommend to the Board of Directors the membership and chairs of the committees of the Board of Directors.

5.2.15 Review annually the Board/management relationship.

5.2.16 Advise the Board of Directors on the disclosure to be contained in the Company's public disclosure documents, such as the Company's annual management proxy circular or annual report, on matters of corporate governance as required by the Toronto Stock Exchange, the New York Stock Exchange or any other applicable exchange or regulator.

5.2.17 Generally advise the Board of Directors on all other matters of corporate governance.

External and Internal Resources

5.2.18 Retain such independent external advisors as it may deem necessary and advisable for its purposes.

5.2.19 Report to the Board of Directors on its proceedings, reviews undertaken, and any associated recommendations.

5.2.20 Have adequate resources to discharge its responsibilities;

5.2.21 Have the right, for the purposes of discharging the powers and responsibilities of the Committee, to inspect any relevant records of the Company and its subsidiaries.

5.2.22 The Chair of the Committee shall review the opportunity for the Board of Directors of the Company or individual directors to retain external advisors at the expense of the Company in certain appropriate circumstances in carrying out their responsibilities.

Shareholder Proposals

5.2.23 Review and make recommendations on shareholder proposals to the Board of Directors or refer them to the Executive Chairman of the Board as appropriate.

5.3 Other Responsibilities

The Committee shall carry out such other mandates as the Board of Directors may request from time to time.

5.4 Review of Mandate of the Committee

The Board of Directors should review and reassess the adequacy of the mandate on an annual basis.

5.5 Compensation

Members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board of Directors may determine from time to time.

3.3 Charter of the Human Resources Committee

IMPORTANT NOTE

Chapter 1, Dream, Mission, Vision and Values of the CGI Group Inc. Fundamental Texts constitutes the fundamental principles of this Charter. This Charter should therefore be read in conjunction with Chapter 1.

1. INTERPRETATION

"Committee" means the Human Resources Committee of the Board of Directors of the Company.

"Independent Director" means a director who meets the independence criteria set out in section 1.4 of Multilateral Instrument 52-110 Audit Committees adopted by the Canadian Securities Administrators and as amended and in effect as of June 30, 2005, which is reproduced in Appendix A.

2. OBJECTIVES

The Committee is responsible for reviewing and making recommendations to the Board of Directors of the Company for the appointment of Senior Executives of the Company and for determining terms of employment of Senior Executives. It shall also perform functions such as reviewing succession planning and matters of compensation as well as such other matters the Committee may consider suitable with respect to compensation or as may be specifically directed by the Board of Directors of the Company from time to time.

3. COMPOSITION

3.1 The Committee shall be composed of a majority of Independent Directors.

3.2 The Board of Directors shall appoint one of the Independent Directors as the Chair of the Committee. If the Chair is absent from a meeting, the members shall select a Chair from those in attendance to act as Chair of the meeting.

4. MEETINGS

4.1 Meetings of the Committee shall be held at the call of the Chair, but not less than three times annually. Meetings of the Committee may be called by the Chair of the Committee, the Executive Chairman of the Board or the Chief Executive Officer.

4.2 The powers of the Committee shall be exercisable by a meeting at which a quorum is present. A quorum shall be not less than two members of the Committee from time to time. Subject to the

foregoing requirement, unless otherwise determined by the Board of Directors, the Committee shall have the power to fix its quorum and to regulate its procedure. Matters decided by the Committee shall be decided by majority vote.

4.3 Notice of each meeting shall be given to each member, to the Executive Chairman of the Board, to the Chief Executive Officer and to the Corporate Secretary of the Company.

4.4 The Committee may invite from time to time such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee, including in particular the Executive Chairman of the Board.

4.5 The Committee shall appoint a secretary to be the secretary of all meetings of the Committee and to maintain minutes of all meetings and deliberations of the Committee.

5. RESPONSIBILITIES AND DUTIES

5.1 Role and responsibilities of the Committee Chair:

5.1.1 The Chair of the Committee:

5.1.1.1 Provides leadership for the committee by ensuring that:

(i) The responsibilities of the committee are well understood by committee members and management.

(ii) The committee works as a cohesive team.

(iii) Adequate resources and timely and relevant information are available to the committee to support its work.

(iv) The effectiveness of the committee is assessed on a regular basis.

(v) The committee's structure and mandate is appropriate and adequate to support the discharge of the committee's responsibilities.

(vi) The scheduling, organization and procedures of committee meetings provide adequate time for the consideration and discussion of relevant issues.

5.1.1.2 Works with the Executive Chairman of the Board and Corporate Secretary to set the calendar of the committee's regular meetings.

5.1.1.3 Has the authority to convene special meetings as required.

5.1.1.4 Sets the agenda in collaboration with the Executive Chairman of the Board and the Corporate Secretary.

5.1.1.5 Presides at meetings.

5.1.1.6 Acts as liaison with management with regard to the work of the committee.

5.1.1.7 Reports to the Board concerning the work of the committee.

5.1.1.8 Exercises the authority specifically delegated to the Chair by the Committee, if any.

5.2 General Responsibilities

5.2.1 The Committee shall, among other things, have responsibility to advise the Board of Directors on human resources planning, compensation of members of the Board of Directors, Executive Officers and other employees, short and long-term incentive plans, benefit plans, and Executive Officer appointments.

5.2.2 The Committee shall review and report to the Board of Directors on:

5.2.2.1 Management's succession plans for Executive Officers, with special emphasis on the Executive Chairman of the Board and Chief Executive Officer succession;

5.2.2.2 Compensation philosophy of the organization, including a remuneration strategy and remuneration policies for the Executive Officer level, as proposed by the Executive Chairman of the Board and the Chief Executive Officer;

5.2.2.3 Recommendations to the Board of Directors for the appointment of the Executive Chairman of the Board, the Chief Executive Officer and other Executive Officers, corporate objectives which the Executive Chairman of the Board and such other Executive Officers, as the case may be, are responsible for meeting, assessment of the Executive Chairman of the Board and of the Chief Executive Officer against these objectives, monitoring of the Executive Chairman of the

Board's performance and providing advice and counsel in the execution of his duties;

5.2.2.4 Total remuneration plan including adequacy and form of compensation realistically reflecting the responsibilities and risks of the position for the Executive Chairman of the Board and for the Chief Executive Officer of the Company and, in connection therewith, consider appropriate information, including information from the Board of Directors with respect to the overall performance of the Executive Chairman of the Board and of the Chief Executive Officer;

5.2.2.5 Remuneration for Executive Officers, annual adjustment to executive salaries, and the design and administration of short and long-term incentive plans, stock options, benefits and perquisites as proposed by the Executive Chairman of the Board and the Chief Executive Officer;

5.2.2.6 Employment and termination arrangements for senior management;

5.2.2.7 Adoption of new, or significant modifications to, pay and benefit plans;

5.2.2.8 Appointment of new officers as appropriate;

5.2.2.9 Significant organizational changes;

5.2.2.10 The Committee's proposed executive compensation report to be contained in the Company's annual proxy circular;

5.2.2.11 Management development programs for the Company;

5.2.2.12 Any special employment contracts or arrangements with officers of the Company including any contracts relating to change of control; and

5.2.2.13 Remuneration for members of the Board of Directors and committees thereof, including adequacy and form of compensation realistically reflecting the responsibilities and risks of the positions and recommend changes where applicable.

5.2.3 The Committee shall perform such other duties as may from time to time be assigned to it by the Board of Directors

including those relating to compensation of officers and senior employees and the manpower resources of the Company.

5.3 Other Responsibilities

5.3.1 The Committee shall have the right to retain such independent external advisors as it may deem necessary and advisable for its purposes and to assess and review, on an annual basis or as deemed appropriate, the independence of such external advisors.

5.3.2 The Committee shall report to the Board of Directors on its proceedings, reviews undertaken, and any associated recommendations.

5.3.3 The Committee shall have adequate resources to discharge its responsibilities.

5.3.4 The Committee shall have the right, for the purposes of discharging the powers and responsibilities of the Committee, to inspect any relevant records of the Company and its subsidiaries.

5.4 Review of Mandate of the Committee

The Board of Directors should review and reassess the adequacy of this mandate on an annual basis.

5.5 Compensation

Members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board of Directors may determine from time to time.

3.4 Charter of the Audit and Risk Management Committee

IMPORTANT NOTE

Chapter 1, Dream, Mission, Vision and Values of the CGI Group Inc. Fundamental Texts constitutes the fundamental principles of this Charter. This Charter should therefore be read in conjunction with Chapter 1.

1. INTERPRETATION

"Committee" means the Audit and Risk Management Committee of the Board of Directors of the Company.

"Financially Literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

"Independent Director" means a director who meets the independence criteria set out in section 1.4 of Multilateral Instrument 52-110 Audit Committees adopted by the Canadian Securities Administrators and as amended and in effect as of June 30, 2005, which is reproduced in Appendix A.

2. OBJECTIVES

The Committee will assist the Board of Directors in fulfilling its oversight responsibilities. In performing its duties, the Committee will maintain effective working relationships with the Board of Directors, management, the internal auditors and the external auditors.

3. COMPOSITION

3.1 The Committee shall consist solely of Independent Directors, all of whom shall be Financially Literate and at least one of whom shall be a financial expert as defined in the applicable corporate governance rules imposed by regulatory bodies.

3.2 Following each annual meeting of shareholders, the Board of Directors shall elect three or more directors, who shall meet the independence and experience requirements of the New York Stock Exchange and the Toronto Stock Exchange as well as the other similar requirements under applicable securities regulations, to serve on the Committee until the close of the next annual meeting of shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs. Any member

may be removed from office or replaced at any time by the Board of Directors.

3.3 The Board of Directors shall appoint one of the members of the Committee as the Chair of the Committee. If the Chair is absent from a meeting, the members shall select a Chair from those in attendance to act as Chair of the meeting.

4. MEETINGS AND RESOURCES

4.1 Regular meetings of the Committee shall be held quarterly. Special meetings of the Committee may be called by the Chair of the Committee, the external auditors, the Executive Chairman of the Board, the Chief Executive Officer or the Chief Financial Officer of the Company.

4.2 The powers of the Committee shall be exercisable by a meeting at which a quorum is present. A quorum shall be not less than two members of the Committee from time to time. Subject to the foregoing requirement, unless otherwise determined by the Board of Directors, the Committee shall have the power to fix its quorum and to regulate its procedure. Matters decided by the Committee shall be decided by majority vote.

4.3 Notice of each meeting shall be given to each member, the external auditors, the Executive Chairman of the Board, the Chief Executive Officer and the Chief Financial Officer of the Company, any or all of whom shall be entitled to attend. Notice of each meeting shall also be given, as the case may be, to the internal auditor who shall also attend whenever requested to do so by the Chair of the Committee or the Corporate Secretary.

4.4 Notice of meeting may be given orally or by letter, telephone facsimile transmission, telephone or electronic device not less than 24 hours before the time fixed for the meeting. Members may waive notice of any meeting. The notice need not state the purpose or purposes for which the meeting is being held.

4.5 Opportunities should be afforded periodically to the external auditors and, as the case may be, to the internal auditor and the senior management to meet separately with the Committee. In addition, the Committee may meet in camera, with only members of the Committee present, whenever the Committee determines that it is appropriate to do so.

4.6 The Committee shall have the authority to retain special legal counselling, accounting or other consultants as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee at the Company's expense.

4.7 The Corporate Secretary of the Company or designate of the Corporate Secretary shall be the Secretary of all meetings of the Committee and shall maintain minutes of all meetings and deliberations of the Committee.

5. RESPONSIBILITIES AND DUTIES

5.1 Role and responsibilities of the Committee Chair:

5.1.1 The Chair of the Committee:

5.1.1.1 Provides leadership for the committee by ensuring that:

(i) The responsibilities of the committee are well understood by committee members and management.

(ii) The committee works as a cohesive team.

(iii) Adequate resources and timely and relevant information are available to the committee to support its work.

(iv) The effectiveness of the committee is assessed on a regular basis.

(v) The committee's structure and mandate is appropriate and adequate to support the discharge of the committee's responsibilities.

(vi) The scheduling, organization and procedures of committee meetings provide adequate time for the consideration and discussion of relevant issues.

5.1.1.2 Works with the Executive Chairman of the Board, the Chief Financial Officer and the Corporate Secretary to set the calendar of the committee's regular meetings.

5.1.1.3 Has the authority to convene special meetings as required.

5.1.1.4 Sets the agenda in collaboration with the Executive Chairman of the Board, the Chief Financial Officer and the Corporate Secretary.

5.1.1.5 Presides at meetings.

5.1.1.6 Acts as liaison with management with regard to the work of the committee.

5.1.1.7 Reports to the Board concerning the work of the committee.

5.1.1.8 Exercises the authority specifically delegated to the Chair by the Committee, if any.

5.2 General Responsibilities

While the Committee has the responsibilities and powers set forth below, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate. This is the responsibility of management and the external auditors. Nor is it the duty of the Committee to conduct investigations, or to assure compliance with laws and regulations. The Committee shall review disagreements, if any, between management and the external auditors and shall make recommendations to resolve such disagreements. In the event that any such disagreement persists, the matter will be referred by the Committee to the Board of Directors for a final determination.

5.3 Review of Mandate of the Committee

The Board of Directors and the Committee shall review and reassess the adequacy of this mandate on an annual basis.

5.4 Publicly Disclosed Financial Information

5.4.1 The Committee shall review and recommend for approval by the Board of Directors, before release to the public:

5.4.1.1 interim unaudited financial statements;

5.4.1.2 audited annual financial statements, in conjunction with the report of the external auditors;

5.4.1.3 all public disclosure documents containing audited or unaudited financial information, including any prospectus, the annual information form and management's discussion and analysis of financial condition and results of operations, as well as related press releases, including earnings guidance; and

5.4.1.4 the compliance of management certification of financial reports with applicable legislation and attestation of the Company's disclosure controls and procedures.

5.4.2 The Committee shall review any report which accompanies published financial statements (to the extent such a report discusses financial condition or operating results) for

consistency of disclosure with the financial statements themselves.

5.4.3 In its review of financial statements, the Committee should obtain an explanation from management of all significant variances between comparative reporting periods and an explanation from management for items which vary from expected or budgeted amounts as well as from previous reporting periods.

5.4.4 In its review of financial statements, the Committee should review unusual or extraordinary items, transactions with related parties, and adequacy of disclosures, asset and liability carrying values, income tax status and related reserves, qualifications, if any, contained in letters of representation and business risks, uncertainties, commitments and contingent liabilities.

5.4.5 In its review of financial statements, the Committee shall review the appropriateness of the Company's significant accounting principles and practices, including acceptable alternatives, and the appropriateness of any significant changes in accounting principles and practices.

5.4.6 The Committee shall satisfy itself that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements, and shall periodically assess the adequacy of those procedures.

5.5 Financial Reporting and Accounting Trends

The Committee shall:

5.5.1 Review and assess the effectiveness of accounting policies and practices concerning financial reporting;

5.5.2 Review with management and with the external auditors any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting;

5.5.3 Question management and the external auditors regarding significant financial reporting issues discussed and the method of resolution; and

5.5.4 Review general accounting trends and issues of accounting policy, standards and practices which affect or may affect the Company.

5.6 Internal Controls

5.6.1 The Committee shall review and monitor the Company's internal control procedures, programs and policies, and assess the adequacy and effectiveness of internal controls over the accounting and financial reporting systems, with particular emphasis on controls over computerized systems.

5.6.2 The Committee shall review:

5.6.2.1 The evaluation of internal controls by the external auditors, together with management's response;

5.6.2.2 The report issued by the internal auditor and management's response and subsequent follow-up to any identified weakness;

5.6.2.3 The working relationship between management and external auditors;

5.6.2.4 The appointments of the Chief Financial Officer and any key financial executives involved in the financial reporting process;

5.6.2.5 The review and approval of the Company’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;

5.6.2.6 Any decisions related to the need for internal auditing, including whether this function should be outsourced and, in such case, approving the supplier which shall not be the external auditors; and

5.6.2.7 Internal control procedures to ensure compliance with the law and avoidance of conflicts of interest.

5.6.3 The Committee shall undertake private discussions with staff of the internal audit function to establish internal audit independence, the level of co-operation received from management, the degree of interaction with the external auditors, and any unresolved material differences of opinion or disputes.

5.7 Internal Auditor

The Committee shall:

5.7.1 Review the mandate and annual objectives of the internal auditor, if the appointment of an internal auditor is deemed appropriate;

5.7.2 Review the adequacy of the Company's internal audit resources; and

5.7.3 Ensure the internal auditor has ongoing access to the Chair of the Committee as well as all officers of the Company, particularly the Executive Chairman of the Board and the Chief Executive Officer.

5.8 External Auditors

5.8.1 The Committee shall recommend to the Board of Directors the appointment of the external auditors, which firm is ultimately accountable to the Committee and the Board of Directors.

5.8.2 The Committee shall receive periodic reports from the external auditors regarding the auditors independence, discuss such reports with the auditors, and if so determined by the Committee, recommend that the Board of Directors take appropriate action to satisfy itself as to the independence of the auditors.

5.8.3 The Committee shall take appropriate steps to assure itself that the external auditors are satisfied with the quality of the Company's accounting principles and that the accounting estimates and judgments made by management reflect an appropriate application of generally accepted accounting principles.

5.8.4 The Committee shall undertake private discussions on a regular basis with the external auditors to review, among other matters, the quality of financial personnel, the level of co-operation received from management, any unresolved material differences of opinion or disputes with management regarding financial reporting and the effectiveness of the work of the internal audit function.

5.8.5 The Committee shall review the terms of the external auditors' engagement and the appropriateness and reasonableness of the proposed audit fees as well as the compensation of any advisors retained by the Committee.

5.8.6 The Committee shall review and pre-approve any engagements for non-audit services provided by the external auditors or their affiliates to the Company or its subsidiaries, together with the fees for such services, and consider the impact of this on the independence of the external auditors. The Committee shall determine which non-audit services the external auditors are prohibited from providing.

5.8.7 When a change of auditors is proposed, the Committee shall review all issues related to the change, including the information required to be disclosed by regulations and the planned steps for an orderly transition.

5.8.8 The Committee shall review all reportable events, including disagreements, unresolved issues and consultations on a routine basis whether or not there is to be a change of auditors.

5.8.9 When discussing auditor independence, the Committee will consider both rotating the lead audit partner or audit partner responsible for reviewing the audit after a number of years and establishing hiring policies for employees or former employees of its external auditor.

5.9 Audit Procedures

5.9.1 The Committee shall review the audit plans of the internal and external audits, including the degree of co-ordination in those plans, and shall inquire as to the extent to which the planned audit scope can be relied upon to detect weaknesses in internal control or fraud or other illegal acts. The audit plans should be reviewed with the external auditors and with management, and the Committee should recommend to the Board of Directors the scope of the external audit as stated in the audit plan.

5.9.2 The Committee shall review any problems experienced by the external auditors in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management.

5.9.3 The Committee shall review the post-audit or management letter containing the recommendations of the external auditors, and management's response and subsequent follow-up to any identified weakness.

5.10 Risk Management and Other Responsibilities

5.10.1 The Committee shall put in place procedures to receive and handle complaints or concerns received by the Company about accounting or audit matters including the anonymous submission by employees of concerns respecting accounting or auditing matters.

5.10.2 The Committee shall review such litigation, claims, transactions or other contingencies as the internal auditor, external auditors or any officer of the Company may bring to its attention, and shall periodically review the Company's risk management programs and comprehensive computer disaster recovery plans.

5.10.3 The Committee shall review the policy on use of derivatives and monitor the risk.

5.10.4 The Committee shall review the related party transactions in line with the New York Stock Exchange rules and regulations and those of any other applicable exchange or regulator.

5.10.5 The Committee shall review assurances of compliance with covenants in trust deeds or loan agreements.

5.10.6 The Committee shall review business risks that could affect the ability of the Company to achieve its business plan.

5.10.7 The Committee shall review uncertainties, commitments, and contingent liabilities material to financial reporting.

5.10.8 The Committee shall review the effectiveness of control and control systems utilized by the Company in connection with financial reporting and other identified business risks.

5.10.9 The Committee shall review incidents of fraud, illegal acts, conflicts of interest and related-party transactions.

5.10.10 The Committee shall review material valuation issues.

5.10.11 The Committee shall review the quality and accuracy of computerized accounting systems, the adequacy of the protections against damage and disruption, and security of confidential information through information systems reporting.

5.10.12 The Committee shall review material matters relating to audits of subsidiaries.

5.10.13 The Committee shall review cases where management has sought accounting advice on a specific issue from an accounting firm other than the one appointed as auditor.

5.10.14 The Committee shall review any legal matters that could have a significant impact on the financial statements.

5.10.15 The Committee shall consider other matters of a financial nature it feels are important to its mandate or as directed by the Board of Directors.

5.10.16 The Committee shall report regularly to the Board of Directors on its proceedings, reviews undertaken and any associated recommendations.

5.10.17 The Committee shall have the right, for the purpose of discharging the powers and responsibilities of the Committee, to inspect any relevant records of the Company and its subsidiaries.

5.11 Compensation

Members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board of Directors may determine from time to time.

4.

Codes of Ethics

Codes of Ethics

4.1 Code of Ethics and Business Conduct

for members, officers and directors of CGI

To the CGI Team

This Code of Ethics and Business Conduct is based on the values and philosophy that have guided CGI successfully since the Company's inception in 1976. It constitutes a unique repository where the combination of CGI policies, guidelines, principles of conduct and best practices have been regrouped under one umbrella document, for the benefit of our members, officers and directors.

CGI's operations have grown significantly and now extend worldwide, and our business environment has become increasingly competitive and complex. The scope and pace of our business requires us to make quick and informed decisions, in a manner consistent with our values.

This Code provides guidance - and a global view - for CGI members, officers and directors to consistently achieve the professionalism that has earned our Company an enviable reputation among our clients and within our industry. It also provides guidance for CGI directors when acting for the Company.

This Code is not meant to be a complete list of ethics and business conduct covering every eventuality. It highlights situations that CGI's members, officers and directors may face in their duties and provides the basic principles to guide their actions. CGI recognizes the importance of supporting these individuals as ethical issues arise, and has an open door policy for resolving such issues with integrity.

Upon joining CGI, all members, as part of their employment contract, undertake to observe this Code in all aspects of their work. Furthermore, annually, all members shall renew such undertaking.

We must always behave responsibly and in line with the Company's core values when working on behalf of CGI for its clients and other stakeholders. By preserving our personal integrity and the professional reputation of CGI, I am confident that together we will succeed in achieving the Company's mission and vision.

Serge Godin
Founder and Executive Chairman of the Board

IMPORTANT NOTE

Chapter 1, Dream, Mission, Vision and Values of the CGI Group Inc. Fundamental Texts constitutes the fundamental principles of this Code of Ethics and Business Conduct. This Code should therefore be read in conjunction with Chapter 1.

1. VALUES, PHILOSOPHY, MISSION AND VISION

VALUES

CGI has always believed in investing in the future to ensure continued success. From the beginning, the Company has invested in developing a strong corporate culture, based on six core values that reflect its approach to business. These values are: quality and partnership, intrapreneurship and sharing, respect, objectivity and integrity, financial strength and corporate social responsibility. These values are at the heart of CGI's success. They ensure that CGI takes a long-term view on business issues, and it builds long-lasting partnerships with its clients.

PHILOSOPHY

The success of CGI Group Inc. and its subsidiaries is based on the knowledge, creativity and commitment of its members. CGI ensures this success by recruiting the most qualified people available. CGI's members share in the risks and rewards of CGI's business as partners of CGI and are committed to its objectives. They take a disciplined apprOach to their work and constantly strive for excellence to achieve the best results for every client. In exchange, CGI strives to recognize the value of its members by offering them a stimulating work environment that fosters their personal and professional development.

MISSION

The mission of CGI is to help our clients with professional services of outstanding quality, competence and objectivity, delivering the best solutions to fully satisfy client objectives in information technology, business processes and management.

In all we do, we foster a culture of partnership, intrapreneurship, teamwork and integrity, building a world class IT and business process services company.

VISION

Our vision is to be a world class IT and business process services leader helping our clients win and grow.

2. PURPOSE AND SCOPE OF THE CODE

This Code of Ethics and Business Conduct (the "Code") defines CGI's character and guides the actions and decisions of the salaried employees ("members"), officers and directors of CGI. Compliance with the Code is essential for many reasons and notably to preserve and enhance CGI's reputation and maximize shareholder value. In keeping with CGI's values, the Code outlines the essential rules and guidelines necessary to preserve CGI's enviable reputation among its clients and within its industry. The Code is not meant to be a complete list of ethics and business conduct covering every eventuality. It highlights situations that CGI members, officers and directors may face in their duties. The code is meant to give them a broad and clear understanding of the conduct expected of them, wherever CGI does business. While the specific illustrations are primarily addressed to members, they should be read as being equally applicable to the members of CGI's Board of Directors to the extent that they may be applicable in the circumstances.

Should a member be confronted with a situation where further guidance is required, the matter should be discussed with the member's manager. CGI recognizes its obligation to support its members, officers and directors as ethical issues arise.

3. MEMBERS' CONDUCT AND BEHAVIOUR

GENERAL CONDUCT

Upon joining CGI, and annually thereafter, all members undertake, by signing the "Member Commitment to the Code of Ethics and Business Conduct," to abide by the Company Code of Ethics and Business Conduct and related policies and guidelines.

If a member ceases to be employed by CGI for any reason, the Member Commitment specifies which elements continue to apply, namely those related to the confidentiality obligations.

RESPECT AND INTEGRITY

All members of CGI support the Company's philosophy and contribute to CGI's development and good reputation by promoting synergy and teamwork, by expressing their ideas and by adopting the highest standards of service quality and integrity. The members of CGI are its ambassadors. They must always behave responsibly and demonstrate courtesy, honesty, civility and respect for other members of CGI, for its clients and for its suppliers.

LOYALTY

Members are expected to act at all times with diligence and loyalty towards CGI and in such a way as to safeguard CGI's interests. Members should not act in a way or publicly hold a position that might harm the image or reputation of CGI.

RELATIONS WITH CLIENTS

CGI's services often involve visiting or working at a client's place of business. A member working at a client's site must comply with the client's practices and procedures and treat the client's facilities with respect. The member must work as efficiently and meticulously as possible and leave the client's premises and property as he or she found them. As well, members must use the client's information and systems infrastructures for the sole purpose of the client's contract and protect those infrastructures and information at all times.

RELATIONS WITH COMPETITORS

If a member is working with a competitor of CGI on a joint project for a client, the member must avoid any situations that could cause conflicts. The member must respect the roles that the client has assigned to each party and work as a team in the client's best interests. CGI's members also have both an ethical and a legal responsibility to portray the Company's competitors fairly and accurately. CGI does not tolerate its members using improper means for gathering information about its competitors.

MAINTENANCE OF ASSETS

All members of CGI have a responsibility to protect CGI's assets against loss, theft, abuse and unauthorized use or disposal. If, in the course of his or her work, a member of CGI is supplied with any property belonging to CGI or to a third party, the member must use said property solely for work-related purposes as specified in the binding agreement he or she signed upon joining CGI. More specifically, the members must use CGI's systems infrastructures in a manner consistent with legal requirements, professional ethics, the policies established by the administrators of CGI's network and of any external networks that the member uses, and must respect the copyrights protecting any software that the member also uses. As well, members must never use the clients' systems infrastructures, including the clients' software, for any purpose that is not work-related. CGI applies a zero-tolerance policy to any abuse of its systems infrastructures or those of its clients.

At the end of employment, members are required to return all CGI property and assets in their possession to their manager or to a designated CGI representative.

4. INTEGRITY OF BOOKS AND RECORDS AND COMPLIANCE WITH SOUND ACCOUNTING PRACTICES

PREPARATION OF BOOKS AND RECORDS

Accuracy and reliability in the preparation of all business records is of critical importance to the decision-making process and to the proper discharge of financial, legal and reporting obligations. All business records, expense accounts, invoices, bills, payroll and member records and other reports are to be prepared with care and honesty. False or misleading entries are not permitted in CGI's books and records.

FINANCIAL TRANSACTIONS

All financial transactions are to be properly recorded in the books of account and accounting procedures are to be supported by the necessary internal controls. In turn, all books and records of CGI must be available for audit.

MEMBER RESPONSIBILITIES

In relation to CGI's books and records, members must:

i) not intentionally cause Company documents to be incorrect in any way;

ii) not create or participate in the creation of any records that are intended to conceal anything that is improper;

iii) properly and promptly record all disbursements of funds;

iv) co-operate with internal and external auditors;

v) report any knowledge of any untruthful or inaccurate statements or records or transactions that do not seem to serve a legitimate commercial purpose; and

vi) not make unusual financial arrangements with a client or a supplier (such as, over-invoicing or under-invoicing) for payments on their behalf to a party not related to the transaction.

BREACHES

Suspected breaches of the Code which directly or indirectly affect CGI's business must be reported to the Chief Financial Officer, the Chief Executive Officer or the Chair of the Audit and Risk Management Committee and to CGI's Corporate Secretary.

In addition, CGI has established a policy for incident reporting (often referred to as a “whistleblower policy”) as well as a process under that policy which allows any person who has direct knowledge of specific facts to report incidents where the Company is exposed to a serious risk in matters of accounting, auditing, internal accounting controls, finance, banking or financial corruption. The process in place protects the incident reporter and ensures the confidentiality of the report. See the heading “Compliance with the Code” below.

5. CONFIDENTIAL INFORMATION AND INTELLECTUAL PROPERTY

DEFINITIONS

Confidential Information

"Confidential Information" means information about the Company's business dealings, development strategies and financial results; products or processes; client lists; vendor lists or purchase prices; cost, pricing, marketing or service strategies; results of research and development work, technical know-how, manufacturing processes, computer software; reports and information related to mergers, acquisitions and divestitures. "Confidential Information" also includes information that relates to intellectual property and may include, but is not limited to: business strategies, product marketing and costing information and information provided by suppliers and competitors. In addition, the way the Company puts publicly-known information together, to achieve a particular result, is often a valuable trade secret.

The following information and documents constitute confidential information or documents of CGI or its clients, as the case may be:

i) methodologies;

ii) all information related to: processes, formulas, research and development, products, financials, marketing; names and lists of customers, employees and suppliers as well as related data; computer programs, all software developed or to be developed including flow charts, source and object codes;

iii) all information related to projects undertaken by the Company whether they are merger and acquisition or divestiture projects or projects related to large client contracts, including all information obtained in due diligence initiatives, whether such information pertains to CGI or to any third party; and

iv) all other information or documents that, if disclosed, could be prejudicial to CGI or its clients.

Intellectual Property

"Intellectual Property" (IP) means patents, copyrights, trademarks, trade secrets and industrial designs of CGI.

NON-DISCLOSURE UNDERTAKING

CGI Confidential Information

During the normal course of business, members will have access to confidential information about CGI. In some cases, the information may affect the value of CGI shares. Each member must protect the confidentiality of all confidential CGI information and documents. Members cannot discuss them away from work, and cannot divulge any confidential CGI information or any information that could harm CGI. Confidential CGI information could include information from other members or information acquired from outside sources, sometimes under obligations of secrecy. Members are expected to use such information exclusively for business purposes and this information must not be disclosed externally without the approval of a member's manager.

Third Party Agreements

In cases where information or records are obtained under an agreement with a third party, such as software licenses or technology purchases, members must ensure that the provisions of such agreements are strictly adhered to so that CGI will not be deemed to be in default. Unauthorized disclosure or use of information or records associated with these agreements could expose the member involved and/or CGI to serious consequences.

DISCLOSURE GUIDELINES

Insider Information

Confidential information about CGI or other public companies may not be used as a basis for trading in CGI securities, or the securities of any other company in respect of which CGI or its members, consultants or advisers are in possession of insider information. For this purpose, CGI has an established policy regarding the use of insider information and trading in securities. This policy is entitled "Guidelines on Timely Disclosure of Material Information and Transactions in Securities by Insiders" which extends to all directors, officers and, when in possession of Confidential Information, members, those authorized to speak on behalf of CGI and all other insiders. It is designed to protect the integrity of the Company and its directors, officers and members while ensuring compliance with all applicable securities legislation in Canada, the United States and other countries. The law stipulates that insiders may not take advantage of inside information to trade in the securities of a company. Likewise, employees must not provide third parties with any information that would give them an unfair advantage when trading in securities of the company,

give them an unfair advantage when trading in securities of the company, including client companies or any other company that is the subject of an acquisition, divestiture or client related project.

Material Information

CGI's guidelines on disclosure also cover the disclosure of information with a material impact, defined as any information that, if disclosed to a potential investor, could affect his or her perception of the value of the Company as an investment. Because CGI is a publicly traded company, any information that may have a material impact on CGI's results or on the perception of the value of the stock must be communicated in accordance with CGI's "Guidelines on Timely Disclosure of Material Information and Transactions in Securities of CGI by Insiders." If a member thinks that he or she is in possession of a piece of information that is not known to management and may have a material impact on the Company, the member must communicate it immediately to either the Executive Chairman of the Board, the Chief Executive Officer, the Corporate Secretary, or the Chief Financial Officer, without divulging it to anyone else.

Client Information

Just as CGI's members must protect confidential information about CGI, they must also show discretion at all times with regard to the client's business affairs. Unless a member has the client's express authorization, he or she should never reveal any information that could harm the client's interests and should never use any information that he or she obtains in the course of a project or assignment for any purpose other than that project or assignment. If the client restricts the distribution of certain information within its own organization, the member must comply with those restrictions as well.

Member Information

CGI collects and maintains personal information relating to its members, including medical and benefits information. Access to such information is restricted to CGI personnel on a need-to-know basis. They must ensure that this information is not disclosed in violation of CGI's policies and practices. Personal information is released to outside parties only with the member's approval, except to satisfy the requirements considered by CGI to be appropriate for legal reasons.

Intellectual Property

In the course of their duties, members may develop or create new designs, inventions, systems or processes, products or documents. When these achievements have been made as a direct result of a member's employment with the Company and through use of CGI's resources, they belong to CGI. Moreover, CGI is free to use this work as it so wishes and members cannot use nor divulge, publish or otherwise disseminate it without prior written consent from CGI. Upon request, members will execute documents made necessary to confirm or complete the assignment of rights to CGI. Upon joining CGI, and in Canada only,

members agree, by signing the Member Commitment to the Code of Ethics and Business Conduct, to waive their moral rights in favour of CGI.

Suppliers and Partners Information

All information on CGI suppliers and partners is also confidential and must not be disclosed without the express consent of the persons concerned.

6. CONFLICTS OF INTEREST

DEFINITION

The members of CGI must avoid any actual or apparent conflicts of interest and should never engage in any conduct which is harmful to CGI or its reputation. A conflict of interest exists when a member favours his or her personal interests over those of CGI or its clients or when an obligation or situation arising from a member's personal activities or financial affairs may adversely influence the member's judgement in the performance of his or her duties at CGI.

GUIDELINES

The following guidelines provide guidance for members to avoid situations which are or may appear to be in conflict with their responsibility to act in the best interest of the Company.

Financial Interests - A conflict of interest exists when a member who is able to influence business with CGI owns, directly or indirectly, a beneficial interest in an organization which is a competitor of CGI, or which has current or prospective business as a supplier, customer or contractor with CGI. This does not include the situation where the financial interest in question consists of shares, bonds or other securities of a company listed on a securities exchange and where the amount of this interest is less than one percent of the value of the class of security involved.

Outside Work - When a member, directly or indirectly, acts as a director, officer, employee, consultant or agent of an organization that is a competitor of CGI, or which has current or prospective business as a supplier, customer or contractor with CGI, there is a conflict of interest. Similarly, a conflict of interest may exist when a member undertakes to engage in an independent business venture or to perform work or services for another entity should that activity prevent such member from devoting the time and effort to the conduct of CGI's business, which his or her position requires.

Gifts or Favours - A conflict of interest will arise when a member, either directly or indirectly, solicits or accepts any gift or favour from any person or organization which is a competitor of CGI, or which has current or

prospective business with CGI as a customer, supplier, partner or contractor.

For this purpose, a "gift" or "favour" includes any gratuitous service, loan, discount, money or article of value. It does not include articles of nominal value normally used for sales promotion purposes, ordinary business meals or reasonable entertainment consistent with local, social or business customs if received in a sporadic manner.

Commissions - CGI or its members will never accept any commissions from a third-party vendor when recommending software, hardware or any equipment to a client as part of a service agreement.

Trading with CGI - A conflict of interest may exist when a member is directly or indirectly a party to a transaction with CGI.

Misappropriation of Business Opportunities - A conflict of interest will exist when a member, without the knowledge and consent of CGI, appropriates for his or her own use, or that of another person or organization, the benefit of any business venture, opportunity or potential opportunity about which the member may have learned or that he or she may have developed during the course of his or her employment.

Bribes - Neither CGI nor its members will pay bribes to clients or client representatives to obtain business from them.

REPORTING

If a member thinks that he or she has been placed in a conflict of interest, the member must inform his or her manager and work with him or her to determine how the situation may be corrected.

7. LAWS, STATUTES AND REGULATIONS

COMPLIANCE WITH THE LAW

It is CGI's policy to comply, not merely with the letter, but also with the spirit of the law. CGI is required to maintain compliance with various acts, statutes and regulations governing activities in the jurisdictions in which it carries on business and expects members acting on its behalf to do likewise. Members are also expected to report any situation of concern to CGI's Corporate Secretary.

GUIDELINES FOR COMPLIANCE

This Code does not seek to provide legal guidance for all laws, statutes and regulations that impact CGI's activities. Specialized resources - legal, tax, environmental, government relations, personnel - are available within CGI for that purpose. There are, however, several items of legislation that

warrant specific mention. These are listed below along with some general guidelines for compliance.

HEALTH AND SAFETY LAWS

CGI is committed to creating and maintaining healthy and safe workplaces for its members. Members are expected to comply with all safety laws, regulations and directives from their managers (which may not necessarily be a law or regulation).

ENVIRONMENTAL LAWS

CGI is committed to preserving and enhancing the environment in the communities where its various businesses operate through responsible and environmentally-oriented operating practices. Members are encouraged to participate in undertakings geared to improving the environment in both their workplace and their community.

HUMAN RIGHTS LEGISLATION

Every person has the right to equal treatment with respect to employment and the right to be free of discrimination because of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, pregnancy, record of offences, marital status, social conditions, political beliefs, language, veteran status (U.S. only), family status, disability or means used to overcome a disability. The following are CGI's policies on equal employment opportunity, anti-discrimination and anti-harassment as well as the procedure for reporting any breach or violation of these policies:

i) **Equal Employment Opportunity** - CGI is committed to treating all people fairly and equitably, without discrimination. The company has established a program to ensure that groups which are often subject to discrimination are equitably represented within CGI and to eliminate any employment rules and practices that could be discriminatory. CGI regards diversity among its members as a priceless resource and one which enables the Company to work harmoniously with clients from around the world.

ii) **Anti-Harassment and Anti-Discrimination Policies** - CGI recognizes that everyone has the right to work in an environment free of sexual, psychological and racial harassment. CGI will do everything in its power to prevent its members from becoming victims of such harassment. CGI defines sexual, psychological or racial harassment as any behaviour, in the form of words, gestures, or actions, generally repeated, that has undesired sexual, psychological or racial connotations, that has a negative impact on a person's dignity or physical or psychological integrity, or that results in that person being subjected to unfavourable working conditions or dismissal.

    CGI will prevent any form of harassment or discrimination against job candidates and members on any of the grounds mentioned above, whether during the hiring process or during employment. This

commitment applies to such areas as training, performance assessment, promotions, transfers, layoffs, remuneration and all other employment practices and working conditions.

All CGI managers are personally accountable for enforcing this policy and must make every effort to prevent discriminatory or harassing behaviour and to intervene immediately if they observe a problem or if a problem is reported to them.

CGI requires that all members refrain from any form of harassment or discrimination against anyone else. CGI will not tolerate any violations of this policy whatsoever.

iii) **Procedure for Reporting Discrimination or Harassment** - Any member of CGI who feels discriminated against or harassed can and should, in all confidence and without fear of reprisal, personally report the facts to the vice-president of his or her business unit and to the human resources leader either in that business unit, in the country or at the corporate head office. The facts will be examined carefully by these two individuals. Neither the name of the person reporting the facts nor the circumstances surrounding them will be disclosed to anyone whatsoever, unless such disclosure is necessary for an investigation or disciplinary action. Any disciplinary action will be determined by these same two people and will be proportional to the seriousness of the behaviour concerned. CGI will also provide appropriate assistance to any member who is a victim of discrimination or harassment. In addition, retaliation against persons who make complaints of harassment, witness harassment, offer testimony or are otherwise involved in the investigation of harassment complaints will not be tolerated.

COMPETITION ACT

CGI is required to make its own decisions on the basis of its best interest and must do so independent of agreements or understandings with competitors. The Competition Act (Canada) or corresponding provisions of foreign legislation in matters of competition prohibit certain arrangements or agreements with others regarding product prices, terms of sale, division of markets, allocation of customers or other practices that restrain competition. It is the responsibility of each manager to comply with the letter and spirit of all competition laws as they apply to CGI.

Should a question or doubt arise with respect to competition-sensitive issues, they must immediately be brought to the attention of CGI's Corporate Secretary.

SECURITIES LAWS AND INSIDER TRADING

Members who possess material non-public information may not buy or sell CGI securities while such information remains non-public and must

refrain from passing such information on to others, including family and friends. These trading prohibitions apply to members at all levels - not just officers or managers. The prohibition on such trading is based on such information potentially providing an unfair advantage to the member.

"Material non-public information" is non-public information that is significant enough that, if publicly known, is likely to affect the market price of any of CGI's securities. CGI has adopted "Guidelines on Timely Disclosure of Material Information and Transactions in Securities of CGI by Insiders". Each member, officer and director must abide by the provisions of these guidelines, when applicable.

8. MEMBER, CLIENT, INVESTOR AND MEDIA RELATIONS

COMMUNICATIONS IN GENERAL

Communications Policy

i) **Within CGI** - CGI's management philosophy demonstrates the value it places on its members' participation in the Company's activities. Communication is a key responsibility of all members. CGI encourages open communication and the sharing of information because it believes its members are its most valuable ambassadors.

ii) **Outside of CGI** - CGI also believes in maintaining open communication with its clients, shareholders, the investment community, industry analysts, regulators, the media and other interested parties. Clear and professional communication enables CGI to promote its services and solutions to its various audiences.

Communications within CGI

i) **Member Input** - CGI encourages its members to share their opinions and ideas, both at scheduled meetings and in the member surveys circulated for this purpose. Regular team meetings are held in all of CGI's business units, providing opportunities for its members to get to know their colleagues better, to discuss topics of common interest and to receive information about developments both in their business unit and in the company. During the annual tour of all business units, the senior managers of CGI provide a review for the members of the past year's performance and discuss CGI's strategies for the coming year.

ii) **Member Satisfaction Assessment Process** - Each year, all members of CGI are asked to participate in the Member SatisfactionAssessment Process (MSAP) by filling out a survey questionnaire. The answers provided in this questionnaire and the comments made in the "Message to the Senior Management" section enable CGI corporate and operational management to improve policies and programs and develop action plans to achieve CGI's objective of becoming the best employer in the industry. Members of CGI can rest

assured that their answers and comments on this questionnaire are kept entirely confidential.

iii) **Newsletter, Other Communications and the Intranet site** - The purpose of internal communications is to fulfill CGI's promise to provide all members with complete, meaningful, up-to-date information about CGI's activities on an ongoing basis. Examples of ongoing communications initiatives include the member newsletter, Perspectives; quarterly (audio) webcasts, Ontrack, and CGI's enterprise Intranet site, all of which keep the members informed about CGI's current projects and recent successes. CGI's Intranet site is intended to implement an infrastructure that allows CGI to share information and corporate policies with all of its members more rapidly.

Corporate Communications Department

The Corporate Communications department of CGI is responsible for developing and managing the policies and programs for CGI's communications activities both within and outside of the company. The Corporate Communications team's mandate includes the establishment of a corporate identity that includes not only the visual branding, but also how to describe and talk about CGI. CGI's Corporate Communications Program has been designed to focus on three key audiences: members, clients and investors.

World Wide Web site

As a key component of the corporate communications program, the CGI Web site is designed to ensure a flow of information to current and future members, current and prospective clients and investors. CGI's Web site is constantly changing and evolving to achieve CGI's worldwide communication strategy. CGI encourages its members and shareholders to keep up with the latest news on CGI and its activities through CGI's Website at www.cgi.com.

COMMUNICATIONS WITH CLIENTS

i) **Initiatives with Clients** - CGI is successful because it works hard at communicating effectively with its clients around the world. A Corporate Identity Manual is available in each of the business units. This manual provides guidelines which must be followed by all members for all external communications. A 'branding' section is posted on the Intranet that supports the overall branding effort, educating members on how best to manage the brand. It also provides rules, as well as tools, for sales collaterals and presentations, advertising, and trade show and conference participation.

ii) **Marketing Materials** - A range of marketing materials has been developed in collaboration with leaders across CGI, representing its various business units, industry sectors and areas of expertise.

Included are computer-based presentations and brochures about CGI. These materials are available to all members who work directly with the company's clients, and can be located on the company's Intranet site.

COMMUNICATIONS WITH INVESTORS AND MEDIA

CGI strives to maintain strong relations with its shareholders and has developed an integrated program to manage communications with its shareholders as well as with others in the investment community and with the media. As a publicly traded company, CGI must demonstrate discipline in dealing with external audiences. CGI has therefore adopted "Guidelines on Timely Disclosure of Material Information and Transactions in Securities of CGI by Insiders." Such guidelines include (i) Timely Disclosure and Prohibition Against Selective Disclosure and (ii) CGI's Corporate Disclosure Policy.

Release of Information

CGI regularly issues news releases in North America, Europe and around the world when it concludes major agreements, signs important contracts or has any other news of general interest or material information. CGI also provides financial information to institutional investors and financial analysts and other interested parties by issuing quarterly financial news releases, quarterly shareholders' reports, annual reports, annual notices and corporate and financial profiles. These documents are distributed through newswires and/or posted on SEDAR and EDGAR, as well as on the CGI Web site. CGI also holds meetings with the investment community and hosts special events, such as its annual "Investor Day" and the annual general meeting of shareholders, where CGI communicates directly with the investment community and shareholders.

Internet Broadcasts

CGI strives to share information democratically by using Internet technology to broadcast its major communication events to all of its shareholders, other investors, analysts and the media. CGI broadcasts live and also archives its annual shareholders' meeting for replay via its Web site. It also broadcasts live and archives its regular and special telephone conferences with investors and analysts to disclose its quarterly financial results and major news. Where possible, it also broadcasts presentations at brokerage-sponsored conferences. CGI strives to give current and prospective shareholders and analysts a transparent picture of CGI. This information helps investors better understand CGI's strategy and strengths, so that its shares will trade on the market at their fair value.

Authorized Spokespersons

Media and investor interaction is the responsibility of authorized CGI spokespersons, who ensure the timely and informed communication of relevant information. All authorized spokespersons must demonstrate

high standards of integrity and transparency, while refraining from unauthorized disclosure of proprietary or non-public material information.

Initiatives

All initiatives related to investor and media communications must be directed through CGI's Chief Executive Officer. Furthermore, members should make sure that CGI's authorized spokespersons know about any relevant issue of local or national interest that relates to CGI's business, of which they may not be aware.

9. COMMUNITY ACTIVITIES AND POLITICAL AND PUBLIC CONTRIBUTIONS

CGI respects and supports the right of its members as individuals to participate in both community and political activities outside of work hours. No contributions of any kind may be made by a member to any political party, candidate or campaign on behalf of CGI without the approval of CGI's Chief Executive Officer. However, CGI may itself make contributions to political parties as permitted by law.

10. COMPLIANCE WITH THE CODE

MANAGEMENT RESPONSIBILITIES

CGI's managers have a special duty to be role models of appropriate business conduct and to see that the principles and policies of this Code and of other CGI guidelines and policies referred to in this Code are upheld. This means:

i) **Copy of the Code** - Ensuring that all members have a copy of the Code, and that they understand and comply with its provisions.

ii) **Assistance** - Offering assistance and explanations to any member who has questions, doubts or is in a difficult situation. Managers are also required to counsel members promptly when their conduct or behaviour is inconsistent with the Code.

iii) **Enforcement** - Taking prompt and decisive action when a violation of the Code has occurred, in consultation with CGI's Corporate Secretary . If a manager knows a member is contemplating a prohibited action and does nothing, the manager will be held responsible along with the member.

MEMBER RESPONSIBILITIES

Each member is accountable for observing the rules of conduct that are normally accepted as standard in a business enterprise. In addition they must abide by the following:

i) **Compliance** - CGI's members are expected to comply with the Code and all policies and procedures of the company as well as to actively promote and support CGI's values.

ii) **Preventing** - Members should take all necessary steps to prevent a Code violation.

iii) **Reporting** - Members must immediately report to their manager (i) situations of non-compliance with respect to this Code of which they become aware and (ii) suspected violations of the Code. All information will, to the extent possible, be received in confidence. It is corporate policy not to take action against a member who reports in good faith unless unusual circumstances warrant such action.

In addition, CGI has established a policy for incident reporting (often referred to as a "whistleblower policy") as well as a process under that policy which allows any person who has direct knowledge of specific facts to report incidents in which the Company is exposed to a serious risk in matters of accounting, auditing, internal accounting controls, finance, banking or financial corruption. The process in place protects the incident reporter and ensures the confidentiality of the report.

Incident reports may be submitted either by telephone by dialing 1-800-422-3076 toll free, by dialing (503) 748-0564 and reversing the long distance charges, or by submitting an incident report online. For telephone reports, all long distances charges will be at the expense of CGI. For those who wish to submit incident reports online, a link to the incident reporting web site is provided on CGI's Enterprise Portal or members may access the incident reporting system directly at www.ethicspoint.com.

CGI's incident reporting system is managed by EthicsPoint, Inc., a company unrelated to CGI which has undertaken to ensure the confidentiality of all incident reporters as well as the confidentiality of the reports they submit.

CGI's policy on incident reporting is entitled the *Serious Ethical Incidents Reporting Policy* and is available on the CGI Enterprise Portal on the policies page.

iv) **Consequences** - Unethical behaviour, violations of this Code and of CGI's other guidelines and policies, as well as withholding information during the course of an investigation regarding a possible violation of the Code, may result in disciplinary action which will be commensurate with the seriousness of the behaviour. Such action could include termination as well as civil or criminal action.

11. ADMINISTRATION OF THE CODE

PERIODIC REVIEW

Responsibility for the periodic review and revision of the Code lies with CGI's Corporate Governance Committee.

MONITORING COMPLIANCE

The Board of Directors of CGI will monitor compliance with the Code and will be responsible for the granting of any waivers from compliance with the Code for directors and officers of CGI. These waivers will be disclosed publicly in due course by the Board of Directors of CGI who shall also specify the circumstances and rationale for granting the waivers, as the case may be. The Corporate Secretary of CGI shall, when deemed appropriate, make reports to the Board of Directors of CGI with respect to compliance with this Code.

QUESTIONS

Questions concerning this Code should be referred to a member's manager who, when warranted, shall report to CGI's Corporate Secretary.

4.2 Executive Code of Conduct

IMPORTANT NOTE

Chapter 1, Dream, Mission, Vision and Values of the CGI Group Inc. Fundamental Texts constitutes the fundamental principles of this Executive Code of Conduct. This Code should therefore be read in conjunction with Chapter 1.

This Executive Code of Conduct (the "Code") is part of the commitment of CGI Group Inc. ("CGI") to ethical business conduct and practices. This Code reflects CGI's firm commitment, not only to adherence to the law, but also to the highest standards of ethical conduct.

This Code specifically covers CGI's principal executive officer, principal financial officer, principal accounting officer or controller, or other persons performing similar functions (collectively, the "officers").

1. HONEST AND ETHICAL CONDUCT

RESPECT AND INTEGRITY

The officers of CGI are its ambassadors. They must always behave responsibly and demonstrate courtesy, honesty, civility and respect for all other employees of CGI, for its clients and for its suppliers.

ETHICS

Supporting CGI's objectives, officers in performing their duties will carry out their responsibilities at all times in a way that promotes ethics in their leadership. The officers will:

(i) Undertake their responsibilities in a vigilant manner in the interests of CGI and to avoid any real or perceived impression of personal advantage;

(ii) Advance CGI's legitimate interests when the opportunity arises at all times ahead of their own interests;

(iii) Proactively promote ethical behavior among subordinates and peers; and

(iv) Use corporate assets and resources in a responsible and fair manner, having regard for the interests of CGI.

AVOIDANCE OF CONFLICT OF INTEREST

Officers must avoid any actual or apparent conflicts of interest and should never engage in any conduct that is harmful to CGI or its reputation. Such a conflict would exist when an officer favours his or her personal interests

over those of CGI or its clients or when an obligation or situation arising from an officer's personal activities or financial affairs may adversely influence the officer's judgment in the performance of his or her duties to CGI.

Officers will not knowingly do business with any parties related to CGI, any of CGI's clients or any firms with which CGI does business if such business would be material or would be outside of normal client related activity.

Officers shall not solicit or accept gifts or favours from related parties, clients or firms with which CGI does business beyond customary courtesies. For this purpose, a "gift" or "favour" includes any gratuitous service, loan, discount, money or article of value. It does not include articles of nominal value normally used for sales promotion purposes, ordinary business meals or reasonable entertainment consistent with local, social or business customs if received in a sporadic manner.

Officers will not perform work or render services for, or knowingly make a material investment in, organizations that compete with CGI or with which CGI does business without appropriate approval from CGI's Corporate Secretary.

If an officer thinks that he has been placed in a conflict of interest, the Officer must inform CGI's Corporate Secretary.

2. FULL, FAIR, ACCURATE, TIMELY AND UNDERSTANDABLE DISCLOSURE

ANNUAL AND QUARTERLY REPORTS

Each officer shall read each annual or quarterly report filed or submitted under the applicable securities laws and satisfy himself or herself that the report does not contain any untrue statement of a material fact or omit to state a material fact that is necessary in order for the statements made not to be misleading, in light of the circumstances in which such statements were made.

FINANCIAL STATEMENTS

Each officer shall satisfy himself or herself that the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition and results of operations of CGI as of, and for, the periods presented in the report.

REPORTS TO SECURITIES REGULATORS

Officers shall perform their responsibilities with a view to causing periodic reports filed with securities regulators to contain information which is accurate, complete, fair and understandable and to be filed in a timely fashion.

REPORTING CONCERNS AND COMPLAINTS

An officer who believes it is necessary or appropriate to do so can refer concerns about the quality and scope of financial or related reporting requirements to the Chair of the Audit Committee. Any officer who receives a bona fide material complaint about financial reporting from any employee shall report such complaints to the Audit Committee. Any officer who has disclosed such concerns in good faith shall not face any form of retribution.

3. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

The officers are cognizant of their leadership roles within the organization and the importance of compliance with the letter and spirit of applicable laws, rules and regulations relating to financial and related reporting.

4. COMPLIANCE WITH THE CODE

GENERAL RESPONSIBILITIES

Officers have a special duty to be role models of appropriate business conduct and see that the principles and policies of this Code and other CGI guidelines and policies are upheld.

REPORTING

Any violation or suspected violation of the Code should be personally reported by an officer to CGI's Corporate Secretary.

ACCOUNTABILITY

Non-compliance with this Code in every respect by an officer will be a matter for consideration and review by the Board of Directors of CGI.

4.3 Guidelines on Timely Disclosure of Material Information and Transactions in Securities of CGI by Insiders

The present document is divided into three sections. The first section is a summary of the applicable legislation and policies regarding timely disclosure and prohibitions against selective disclosure. The second section is CGI's corporate disclosure policy which is destined to ensure compliance by CGI of the timely disclosure requirements and avoid selective disclosure of material information. Finally, the third section refers to restrictions applicable to transactions in securities of CGI by insiders.

IMPORTANT NOTE

Chapter 1, Dream, Mission, Vision and Values of the CGI Group Inc. Fundamental Texts constitutes the fundamental principles of these Guidelines on timely disclosure of material information and transactions in securities of CGI by insiders. These Guidelines should therefore be read in conjunction with Chapter 1.

I. TIMELY DISCLOSURE AND PROHIBITIONS AGAINST SELECTIVE DISCLOSURE [1]

It is fundamental that all persons investing in securities have equal access to information that may influence their investment decisions, therefore placing all participants in the market on an equal footing. The timely disclosure policies of the Toronto Stock Exchange (the "TSX")[2] and the New York Stock Exchange (the "NYSE") (collectively, the "Exchanges") and of the Canadian Securities Administrators (the "CSA") (individually, a "Timely Disclosure Policy" and collectively, the "Timely Disclosure Policies") elaborate upon the provisions of the Securities Act (Québec), and the securities legislation of all of the provinces of Canada (collectively, the "Legislation") which require that when a material change occurs which is not generally known, a press release disclosing the substance of the change must be issued.

DEFINITION OF MATERIAL INFORMATION

Material information is any information relating to the business and affairs of CGI that results in or would reasonably be expected to result in a significant change in the market price or value of CGI securities (the "CGI Securities"). Material information consists of both "material changes"[3] and "material facts"[4] relating to the business and affairs of CGI. A material change includes a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision by the board of directors is probable.

[1] Definitions provided in Sections I and II apply only to those Sections.
[2] Respectively, the Toronto Stock Exchange Policy Statement on Timely Disclosure, the Listed Company Manual of the New York Stock Exchange (both available on the TSX website) and National Policy 51-201 on disclosure standards and which provide guidance on best disclosure practices.
[3] A material change is a change in the business, operations or capital of the issuer that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the issuer and includes a decision to implement a change made by the board of directors of the issuer or by senior management of the issuer who believe that confirmation of the decision by the board of directors is probable.
[4] A material fact is a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of a security of the issuer. The Securities Act (Québec) refers to "privileged information" which is defined as "any information that has not been disclosed to the public and that could affect the decision of a reasonable investor". (Refer to Section III of this document).

It is the responsibility of CGI to determine the materiality of information, as it relates to CGI. When making materiality judgments, CGI should consider factors such as the nature of the information, the volatility of CGI Securities and prevailing market conditions. Ongoing monitoring and assessment of market reaction by CGI to different disclosures will be helpful when making materiality judgments in the future. As a guiding principle, if there is any doubt about whether particular information is material[5], the CSA encourage companies to err on the side of caution and release information publicly.

Pursuant to the Timely Disclosure Policy of the TSX, the following examples of corporate developments are likely to constitute material information requiring prompt disclosure:

- a change in share ownership that may affect the control of the company;
- a change in the corporate structure such as a merger, an amalgamation or a reorganization;
- a take-over bid or issuer bid;
- a major corporate acquisition, disposition or joint venture;
- a stock split, consolidation, stock dividend or other change in capital structure;
- the borrowing of a significant amount of funds;
- the public or private sale of additional securities;
- the development of a new product and/or a development affecting the company's resources, technology, products or markets;
- entering into or loss of a significant contract;
- firm evidence of a significant increase or decrease in near term earnings prospects;
- an important change in capital investment plans or corporate objectives;
- a significant change in management;
- significant litigation;
- a major labour dispute or a dispute with a major contractor or supplier;
- an event of default under a financing or other agreement;

[5] U.S. case law has interpreted information to be material if "there is a substantial likelihood that a reasonable shareholder would consider it important" in making an investment decision. Also, according to the U.S. case law, information will be considered material if there is a substantial likelihood that a fact "would have been viewed by the reasonable investor as having significantly altered the "total mix" of information available".

- a declaration or omission of dividends;
- a call of securities for redemption; and
- any other development relating to the business and affairs of a company that would reasonably be expected to significantly affect the market price or value of any of the Company's securities or that would reasonably be expected to have a significant influence on an informed investor's investment decisions.

TIMING OF PUBLIC ANNOUNCEMENT

Pursuant to Timely Disclosure Policies and Legislation, CGI is required to disclose material information concerning its business and affairs immediately upon the information becoming known to management or a development being approved by the Board of Directors, or in the case of information previously known, immediately upon it becoming apparent that the information is material[6]. Immediate release of material information is necessary to ensure that it is promptly available to all investors and to reduce the risk that persons with access to that information will act upon undisclosed information. The disclosure of material change must be made by way of a broadly disseminated news release that is followed by a material change report filed with the appropriate CSA members.

The announcement of an intention to proceed with a transaction or activity should be made when a decision has been taken to proceed with it by CGI's board of directors or by senior management with the expectation in that case of such decision being further agreed to by CGI's board of directors. However, as discussed below, a corporate development in CGI's affairs in respect of which no firm decision has yet been made, may require immediate disclosure if leaks or rumours of such corporate development are reflected in the market place.

Disclosure of corporate developments must be managed with care and judgment by company officials as to the timing of an announcement of material information whether late or premature may affect the credibility and reputation of the company and of the securities market.

In limited circumstances, disclosure of material information may be delayed for reasons of corporate confidentiality.

[6] Where the material information constitutes a material change, such disclosure must be followed by a material change report filed within ten days of the date on which the change occurred with the relevant securities commissions.

DEALING WITH RUMOURS

Except in certain circumstances, CGI is not required to respond to market rumours. It may choose a "no comment" response to market rumours. An effective way of saying "no comment" is to say, "We do not respond to market rumours". To maintain a consistent "no comment" policy, a company should not selectively comment, even if no significant corporate developments are taking place or the company knows of no reason for unusual market activity. For example, it is an inconsistent (and likely ineffective) use of a "no comment" policy if a company were to say, "There are no significant corporate developments at this time," when such is the case, but respond, "no comment" when material developments or transactions are under consideration. Using a "no comment" policy in this fashion may act as a signal to the market and defeats the purpose of the policy.

If, however, the rumour is about a material change in the company's business, operations or capital or other material information that the company has withheld from general disclosure under its confidentiality privilege, the company's obligation to make immediate disclosure of that change or information will be triggered. In the face of a rumour regarding undisclosed material information, it is impossible for a company to continue a request for confidentiality. In addition, CSA members or stock exchanges may request that a company respond to a rumour if it is the source of the rumour or if market activity indicates that trading is being affected by the rumour.

Upon such a request, prompt clarification or denial of the rumour through a news release will be necessary and, if the rumour is correct in whole or in part, immediate disclosure of the relevant material information should be made. Pending dissemination of a response to such a request, the relevant stock exchanges, or less frequently, the CSA member, may decide to halt trading in securities of the company.

Companies are often asked to respond to rumours or inquiries regarding possible differences in earnings from current Street estimates. When a company has provided no guidance on analysts' earnings estimates, except in certain circumstances, the company is under no obligation to respond to such rumours or inquiries. If it is a company's policy not to comment on analysts' earnings estimates, the company should state this policy in response to any such questions it receives.

If earnings rumours are affecting the company's share price, the company may wish to consider issuing a full news release if it believes earnings will be significantly different than Street expectations, or if it believes the rumours to be false and wants to counter them.

MAINTAINING CONFIDENTIALITY

Pursuant to Timely Disclosure Policies, the withholding of material information may only be justified where the potential harm to CGI or to its

investors caused by immediate disclosure may reasonably be considered to exceed the negative consequences of delaying disclosure. Pursuant to the Legislation, CGI will not be required to prepare a press release if senior management has reasonable ground to believe that disclosure would be seriously prejudicial to the interests of CGI and that no transaction in CGI Securities has been or will be carried out on the basis of the information not generally known[7]. In any case, confidentiality may not be maintained beyond the short term. Furthermore, in any situation where material information is being kept confidential because disclosure would be unduly detrimental to CGI's best interests, CGI's management is responsible for taking every possible precaution to ensure that no trading whatsoever takes place by any insider or any employee of CGI in possession of such information before it is generally disclosed to the public.

If the information that CGI wants to keep confidential is a "material change" in its business, operations or capital, CGI must file a report of that change with the appropriate CSA members on a confidential basis, together with an explanation of the reasons for the non-disclosure. To maintain the confidentiality of the filing, CGI must renew its confidential filing every 10 days in certain jurisdictions.

The Timely Disclosure Policy of the TSX enumerates as follows situations where prompt disclosure might be unduly detrimental to CGI's interests:

- release of the information would prejudice CGI's ability to pursue specific and limited objectives or complete a transaction or series of transactions that are underway. For instance, premature disclosure of the fact that CGI intends to purchase a significant asset may increase the cost of the acquisition;

- disclosure of the information would provide competitors with confidential corporate information that would significantly benefit them. Such information may be kept confidential if CGI is of the opinion that the detriment to it resulting from disclosure would exceed the detriment to the market in not having access to the information. A decision to release a new product, or details on the features of a new product, may be withheld for competitive reasons, but such information should not be withheld if it is available to competitors from other sources;

[7] However, in such circumstances CGI is nonetheless required to file a "confidential" material change report indicating the reasons why disclosure is being delayed must be provided in writing. If CGI wishes to keep the material information confidential, it must renew the confidential filing every 10 days following such filing.

- disclosure of information concerning the status of ongoing negotiations would prejudice the successful completion of these negotiations. It is unnecessary to make a series of announcements concerning the status of negotiations with another party concerning a particular transaction. If it seems that the situation is going to stabilize within a short period, public disclosure may be delayed until a definitive announcement can be made. Disclosure should be made once "concrete information" is available, such as a final decision to proceed with the transaction or, at a later point in time, finalization of the terms of the transaction.

Again, when the disclosure of material information is to be delayed, complete confidentiality must be maintained. In the event that such information has leaked or appears to be impacting the market, CGI must then take immediate steps to ensure that full disclosure to the public is made and contact the Exchanges immediately and ask that trading be halted pending the issuance of a news release.

PROHIBITIONS AGAINST SELECTIVE DISCLOSURE

The Legislation prohibits CGI or any person or company in a special relationship [8] with CGI from informing anyone, other than in the necessary course of business, of a material information before it has been generally disclosed. This prohibition is commonly known as "tipping". Tipping is prohibited in order to ensure equal access to, and opportunity to act upon, material information.

The tipping prohibition is very broad. It covers disclosure made by any person in a special relationship with CGI to anyone (other than in the "necessary course of business" as discussed below) and is not limited to communications made to securities market professionals, analysts and institutional investors[9].

The tipping provisions however permit an issuer to make a selective disclosure in the necessary course of business. This exception exists so as not to interfere with a company's everyday business. However, whether a particular disclosure has been made in the necessary course of business is dependent on the facts of each case. The CSA set out a list of parties that the necessary course of business exception would generally permit communication to, including:

- vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing and supply contracts;
- employees, officers and board members;
- lenders, legal counsel, auditors, financial advisors and underwriters;

[8] Persons in a special relationship with CGI, include, but are not limited to: (a) insiders of CGI; (b) directors, officers and employees of CGI; (c) persons engaging in professional or business activities for or on behalf of CGI; and (d) anyone who learns of material information from someone that is known or should be known to be in a special relationship with CGI.

[9] The CSA point out that although selective disclosure most often occurs in one-on-one discussions and private meetings, it can occur in a variety of situations including annual meetings.

- parties to negotiations;
- labour unions and industry associations; and
- government agencies and non-governmental regulators; and
- credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the ratings are or will be publicly available).

The CSA advise however that the necessary course of business exception would not generally allow selective disclosure to analysts, the media or institutional investors.

In relying on the necessary course of business exception when disclosing material information, CGI must ensure that those receiving the information are aware that they cannot disclose the information to any other party, other than in the necessary course of business, or trade on the information, until it has been generally disclosed.

The selective disclosure prohibition continues until material information has been "generally disclosed" [10].

The CSA encourage issuers to satisfy the general disclosure requirement under the tipping provisions by using one or a combination of news releases through a widely circulated service, press conferences and conference calls where the public is given appropriate notice by news release and may attend or listen. Although issuers are encouraged to file news releases on SEDAR and post information on their website, the CSA point out that currently neither of these methods alone will constitute general disclosure.

If CGI makes an unintentional selective disclosure, it must take immediate steps to ensure that a full public announcement is made. The CSA suggest that, pending issuance of a news release, a company which has made an unintentional selective disclosure shall request a halt trading of its securities and advise anyone with knowledge of the information that it is material and has not been generally disclosed.

Although the Legislation does not provide for a safe harbour for unintentional selective disclosure [11], the CSA will look at all of the surrounding circumstances in a selective disclosure enforcement proceeding. Factors that will be considered include:

- whether and to what extent an issuer has implemented, maintained and followed reasonable selective disclosure policies and procedures ;

[10] The Legislation does not define the term "generally disclosed". Insider trading jurisprudence however states that information has been generally disclosed when it has been disseminated in a manner calculated to effectively reach the market place and public investors have been given a reasonable amount of time to analyze the information. What constitutes a "reasonable amount of time" will depend on a number of factors including the circumstances in which the event arises, the particulars of the information, the nature of the market for the issuer's securities and the disclosure method used.

[11] Unlike Regulation FD which will be discussed below.

- whether any selective disclosure was intentional; and
- what steps were taken to disseminate information that had been unintentionally disclosed, including how quickly the information was disclosed.

ANNOUNCEMENT AND ISSUANCE OF A PRESS RELEASE

As discussed above, the Timely Disclosure Policies, as well as the Legislation, require that when a material change in CGI's affairs occurs that is likely to have a significant influence on the value or the market price of CGI Securities, and is not generally known, CGI shall immediately prepare and distribute a press release disclosing the substance of the change. The press release should be factual and balanced and avoid unnecessary details, exaggerated reports or promotional commentary. When a press release is to be issued during the trading hours, it is essential that CGI officials notify the Market Surveillance Division of the TSX (which will normally coordinate with the NYSE) prior to the issuance of such press release, in order to permit the Market Surveillance Staff to determine whether trading in any of CGI Securities should be temporarily halted. Normally, a trading halt in a security will only be justified if the announcement of the material information is imminent.

The NYSE Company Manual requires that when an announcement of news of a material event or a statement dealing with a rumour which calls for immediate release is made shortly before the opening or during the market hours, the company's NYSE representative be notified by telephone at least ten minutes prior to the release of the announcement to the news media. To ensure adequate coverage, the news release requiring immediate publicity should be given to Dow Jones & Company, Inc., Reuters Economic Services and Bloomberg Business News.

CGI is also required to release material information to the media by the quickest possible method and by one which provides the widest possible dissemination. Because dissemination of news is essential to ensure that all investors trade on equal information, the responsibility of ensuring appropriate dissemination of news releases belongs to CGI.

DISSEMINATION OF MATERIAL INFORMATION THROUGH WEBSITES

The dissemination of information through a website[12] is also subject to the Legislation and Timely Disclosure Policies and the information to be issued through electronic communications must be guided by the same rules as the information disseminated by traditional forms, such as a press release. Consequently, electronic information cannot be misleading to investors (by being incomplete, out of date or by omitting facts) nor of a promotional nature and cannot be used to disseminate material information not yet disclosed to the general public. CGI must regularly review, update or correct, if need be, the information posted on the website. CGI should date all material information posted on its website and should disclaim any duty to update.

[12] The dissemination of information through a website is governed by the TSX Electronic Communications Disclosure Guidelines (which may be found on the TSX website).

In addition, CGI should either delete outdated information or move it to an archive. If CGI updates or corrects material information on its website, it should take steps to ensure that it properly disseminates that information to the public on a timely basis. No material information is to be disseminated through electronic communications prior to being disseminated on a news wire service.

REGULATION FD

The Securities and Exchange Commission's Regulation FD (Fair Disclosure) [13] requires that reporting companies disclose material information through broad public means and not selectively to securities analysts and other market professionals. However, it is to be noted that Regulation FD does not impose an obligation to disclose material non-public information but rather mandates that if such information is disclosed voluntarily, it must be done on a broad non-exclusive basis. Essentially, if an issuer, or any person acting on its behalf discloses material non-public information to specified persons, Regulation FD requires that the issuer must simultaneously (for intentional disclosures) or promptly (for non-intentional disclosures) make public disclosure of that information.

Since CGI is considered under U.S. securities laws to be a foreign private issuer, Regulation FD will not technically apply to it. It is however important to note that Regulation FD is, to some extent, simply a codification of the U.S. Securities and Exchange Commission's (the "SEC") previous position and that selective disclosure of material non-public information about CGI could, in certain circumstances, even if not technically in violation of Regulation FD, expose the person making the disclosure to liability under the SEC's anti-fraud rules under the Exchange Act[14].

II. CGI CORPORATE DISCLOSURE POLICY

CGI's management believes that the implementation and maintenance of a written corporate disclosure policy will promote consistent, appropriate, timely and broadly disseminated disclosure of its material information and reinforce compliance with the Legislation and the Timely Disclosure Policies.

This disclosure policy confirms in writing our existing disclosure policies and practices. Its goal is to raise awareness of the Company's approach to disclosure among the board of directors, senior management and employees.

[13] Which became effective on October 23, 2000.
[14] The Securities Act of 1934, as amended.

This disclosure policy extends to all employees of the Company, its board of directors, those authorized to speak on its behalf and all other insiders. It covers disclosures in documents filed with the securities regulators, financial disclosure, including management's discussion and analysis (MD&A) and written statements made in the Company's annual and quarterly reports, news releases, letters to shareholders, presentations by senior management and information contained on the Company's Web site and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls.

DISCLOSURE POLICY COMMITTEE

The board of directors has established a disclosure policy committee (the "Committee") responsible for all regulatory disclosure requirements and overseeing the Company's disclosure practices. The Committee consists of the Executive Chairman of the Board, Chief Executive Officer, the Corporate Secretary, the Chief Financial Officer and the Executive Vice-President and Chief Legal Officer.

It is essential that the Committee be kept fully apprised of all pending material Company developments in order to evaluate and discuss those events and to determine the appropriateness and timing for public release of information. If it is deemed that material information should remain confidential, the Committee will determine how that inside information will be controlled.

The Committee will identify appropriate industry and Company benchmarks for a preliminary assessment of materiality. Guided by these benchmarks the Committee will use experience and judgement to determine the appropriateness and timing for public release of material information. The Committee will review all core disclosure documents prior to their release or filing, including the Company's MD&A. The Committee will meet quarterly or as conditions dictate and the Vice-President, Corporate Communications & Investor Relations will keep records of these meetings.

The Committee will review and update, if necessary, this disclosure policy annually or as needed to ensure compliance with changing regulatory requirements. The Committee will report to the board of directors quarterly. The Committee is also responsible for ensuring that Company spokespersons receive adequate training.

NEWS RELEASES

Once the Committee determines that a development is material, it will authorize the issuance of a news release unless the Committee determines that such developments must remain confidential for the time being. If developments are to remain confidential, appropriate confidential filings must be made and control of the inside information must be instituted. Should a material statement inadvertently be made in a selective forum, the Company will immediately issue a news release to

fully disclose that information.

If the stock exchanges upon which shares of the Company are listed are open for trading at the time of a proposed announcement, prior notice of a news release announcing material information must be provided to the exchanges' market surveillance departments to enable a trading halt, if deemed necessary by the stock exchanges. If a news release announcing material information is issued outside of trading hours, market surveillance must be notified before the market opens.

Annual and interim financial results will be publicly released immediately following audit committee or board approval of the MD&A, financial statements and notes.

The Vice-President, Corporate Communications & Investor Relations must ensure that the material information disclosed in the press release is factual, balanced and complete and avoid including unnecessary details, exaggerated reports or promotional commentaries. The disclosure must allow a reasonable and objective valuation of the information (i.e. nature of the agreement, length, costs and revenues involved, etc.) and comments on future events concerning the affairs of CGI should be limited to the strict minimum.

News releases will be disseminated through an approved news wire service that provides simultaneous national and/or international distribution. News releases will be transmitted to all stock exchange members, relevant regulatory bodies, major business wires, national financial media, and the local media in areas where the Company has its headquarters and operations. As a general rule, procedure for dissemination of material information shall be applied consistently.

DISSEMINATION OF THE MATERIAL INFORMATION

Once the information has been qualified as material, the responsibility of its immediate disclosure by the issuance of a press release belongs to the Vice-President, Corporate Communications & Investor Relations.

A pre-notice of such press release must be sent to the TSX and NYSE before its issuance in order to allow the Market Surveillance Staff to determine whether it is necessary to temporarily halt trading in CGI Securities pending the announcement.

The press release shall be distributed through a widely circulated news or wire service. Refer to heading below "Investor Conference Calls", if an investor conference call is scheduled in connection with the information announced in the press release.

News releases will be posted on the Company's Web site immediately after release over the news wire. The news release page of the Web site will include a notice that advises the reader that the information posted

was accurate at the time of posting, but may be superseded by subsequent news releases.

PRINCIPLES OF DISCLOSURE OF MATERIAL INFORMATION

Material information is any information relating to the business and affairs of the Company that results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions. In complying with the requirement to immediately disclose all material information under applicable laws and stock exchange rules, the Company will adhere to the following basic disclosure principles:

- Material information will be publicly disclosed immediately via news release.
- In certain circumstances, the Committee may determine that such disclosure would be unduly detrimental to the Company (for example if release of the information would prejudice negotiations in a corporate transaction), in which case the information will be kept confidential until the Committee determines it is appropriate to publicly disclose. In these circumstances, the Committee will cause a confidential material change report to be filed with the applicable securities regulators, and will periodically (at least every 10 days) review its decision to keep the information confidential (also see 'Dealing with Rumours').
- Disclosure must include any information the omission of which would make the rest of the disclosure misleading (half truths are misleading).
- Unfavourable material information must be disclosed as promptly and completely as favourable information.
- There must be no selective disclosure. Previously undisclosed material information must not be disclosed to selected individuals (for example, in an interview with an analyst or in a telephone conversation with an investor). If previously undisclosed material information has been inadvertently disclosed to an analyst or any other person not bound by an express confidentiality obligation, this information must be broadly disclosed immediately via news release.
- Disclosure on the Company's Web site alone does not constitute adequate disclosure of material information.
- Disclosure must be corrected immediately if the Company subsequently learns that earlier disclosure contained a material error at the time it was given.

DESIGNATED SPOKESPERSONS

The Company designates a limited number of spokespersons with authority for communication with the investment community, regulators or the media. The Chief Executive Officer, Chief Financial Officer and Vice-President, Corporate Communications & Investor Relations shall be the official spokespersons for the Company. Individuals holding these offices may, from time to time, designate others within the Company with authority to speak on behalf of the Company as back-ups or to respond to specific inquiries.

Employees who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others, unless specifically asked to do so by an authorized spokesperson. All such inquiries are to be referred to the Vice-President, Corporate Communications & Investor Relations.

All external information requests from the investment community regarding CGI will be initially directed to the Vice-President, Corporate Communications & Investor Relations, who is responsible for communications with the investment community and securities analysts. However, in certain circumstances such requests shall be directed to the Executive Chairman of the Board, the Corporate Secretary, the Chief Financial Officer or the Senior Vice-President, Finance and Treasury (collectively, the "Authorized Spokespersons").

All employees who are not Authorized Spokespersons must refer calls to the Authorized Spokespersons or to the Vice-President, Corporate Communications & Investor Relations or to the media relations managers, depending on the particular call.

It is very important that any comment made by the Authorized Spokespersons reflects only material information already generally disclosed. To that effect, all relevant public information regarding CGI (news releases, financial analyst reports, notes following communication with analysts, etc.) will be kept in a specific file in order to ensure complete compilation of the public information and to assist the Vice-President, Corporate Communications & Investor Relations in his or her functions.

Information relating to CGI in the market place and reactions by the market place to such information shall be closely monitored by the Vice-President, Corporate Communications & Investor Relations to ensure a prompt reaction to non-intentional selective disclosures. All employees shall report any such disclosure to the Vice-President, Corporate Communications & Investor Relations.

CONFIDENTIALITY OF THE INFORMATION

The Disclosure Policies and the Legislation allow material information to be kept confidential when immediate disclosure of such information would

be unduly detrimental to CGI (to that effect, refer to heading "Maintaining Confidentiality" of Section I above).

In order to ensure the confidential nature of the information, CGI establishes the following rules:

a) the number of CGI employees with access to confidential information must be limited, to the extent possible;

b) appropriate measures are to be taken in order to avoid unauthorized access to the confidential documents through technology or otherwise;

Moreover, any CGI employee in possession of material information will not disclose the information to anyone (including financial analysts and institutional investors) except in the necessary course of business (as discussed above) and when disclosed in such manner, all parties involved will be reminded that such information is to be kept confidential.

During the period when the material information is being kept confidential, the Vice-President, Corporate Communications & Investor Relations will carefully monitor the market activity in CGI Securities. In some cases, he or she may request the market surveillance department of one or both stock exchanges where it is listed to place the company's securities on 'stock watch' to monitor trading activity.

If the confidential material information, or rumours about it, has leaked or appears to be impacting the market, the Vice-President, Corporate Communications & Investor Relations, on the direction of the Disclosure Policy Committee will have to take immediate steps to ensure that a full public announcement is made. This includes contacting the Exchanges and asking that trading be halted pending the issuance of a news release. Furthermore, pending the public release of the material information, those who have knowledge of the information shall be told that the information is material and that it has not been generally disclosed.

DEALING WITH RUMOURS

The Company does not comment, affirmatively or negatively, on rumours. This also applies to rumours on the Internet. The Company's spokespersons will respond consistently to any rumours, saying, "It is our policy not to comment on market rumours or speculation."

Should the stock exchange request that the Company make a definitive statement in response to a market rumour that is causing significant volatility in the stock, the Committee will consider the matter and decide whether to make a policy exception. If the rumour is true in whole or in part, this may be evidence of a leak, and the Company then will immediately issue a news release disclosing the relevant material information.

TRADING RESTRICTIONS, BLACKOUT PERIODS AND PRE CLEARING OF TRADES

It is illegal for anyone with knowledge of material information affecting a public company that has not been publicly disclosed to purchase or sell securities of that company. It is also illegal for anyone to inform any other person of material non-public information, except in the necessary course of business. Therefore, insiders and employees with knowledge of confidential or material information about the Company or information about counter-parties in negotiations of transactions that are potentially material to the Company or to such counterparty, are prohibited from trading securities of the Company or any counter-party until the information has been fully disclosed and a reasonable period has passed for the information to be widely disseminated.

Insiders are personally responsible for filing accurate and timely insider trading reports. Insiders are required to provide a copy of all insider reports to the Corporate Secretary or other designated person concurrent with their filing to regulatory authorities. For trading blackouts for designated employees in possession of privileged information, please refer to Section III below "Restrictions Applicable to Transactions in Securities by Insiders".

Quarterly trading periods, blackout periods and the requirement to pre clear trades with the Corporate Secretary apply to certain insiders and to CGI employees who normally have access to Privileged Information regarding CGI. These restrictions are set out in the *CGI Policy on Insider Trading Restrictions and Blackout Periods*.

Blackout periods may also be prescribed from time to time by the Disclosure Policy Committee as a result of special circumstances relating to the Company when certain insiders and CGI employees who have access to Privileged Information regarding CGI would be precluded from trading in its securities. All parties with knowledge of such special circumstances should be covered by the blackout. These parties may include external advisors such as legal counsel, investment bankers, investor relations consultants and other professional advisors, and counter-parties in negotiations of material potential transactions.

CONTACTS WITH ANALYSTS, INVESTORS AND THE MEDIA

Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered material non-public information. If the Company intends to announce material information at an analyst or shareholder meeting or a press conference or conference call, the announcement must be preceded by a news release.

The Company recognizes that meetings with analysts and significant investors are an important element of its investor relations program. The Company will meet with analysts and investors individually or in small groups as needed and will initiate contacts or respond to analyst and

investor calls in a timely, consistent and accurate fashion in accordance with this disclosure policy. All analysts will receive fair treatment regardless of whether they are recommending buying or selling the Company's securities.

The Company will provide only non-material information through individual and group meetings, in addition to publicly disclosed information, recognizing that an analyst or investor may construct this information into a mosaic that could result in material information. The Company cannot alter the materiality of information by breaking down the information into smaller, non-material components.

CGI representatives meeting privately with financial analysts and investors will carry out research on the people they are meeting in order to prepare for their expected line of questioning. Statements and responses to anticipated questions will be discussed with the Vice-President, Corporate Communications & Investor Relations prior to the meeting. The Vice-President, Corporate Communications & Investor Relations will be present at each private meeting to ensure consistency of corporate answers and to determine whether any unintentional selective disclosure occurred during the meeting.

The Company will provide the same sort of detailed, non-material information to individual investors or reporters that it has provided to analysts and institutional investors and may post this information on its Web site.

Spokespersons will keep notes of telephone conversations with analysts and investors and where practicable more than one Company representative will be present at all individual and group meetings. A debriefing will be held after these meetings and if it determines that selective disclosure of previously undisclosed material information has occurred, the Company will immediately disclose the information broadly via news release.

INVESTOR CONFERENCE CALLS

The following steps shall be followed when holding investor conference calls to disclose material information:

i) a press release containing the material information shall have been previously released through a widely circulated news or wire service. Such press release shall contain the date and time of the call, the subject matter and the means for accessing it;

ii) CGI representatives participating in the analyst conference call will meet before the call to prepare for anticipated questions. Statements and responses to anticipated questions will be discussed and scripted in advance and reviewed by the Company's executive management.

iii) the conference call shall be held in an open manner, permitting investors to listen either by telephone or through Internet Webcasting;

iv) a dial-in replay will be provided for a period of at least one week after the investor conference call and a web replay will be provided for a period of at least 90 days after the call.

v) a detailed transcript of the conference call will be kept and reviewed to determine whether any unintentional selective disclosure occurred during the conference call. If so, immediate steps to ensure full public announcement shall be made including contacting the Exchanges and asking that trading be halted pending the issuance of a news release.

REVIEWING ANALYST REPORTS AND FINANCIAL MODELS

Upon request, the Company may review analysts' draft research reports or financial models for factual accuracy based on publicly disclosed information. The Company will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with the analyst's financial model and earnings estimates.

To avoid appearing to endorse an analyst's report or model, the Company will provide its comments orally or will attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

QUIET PERIODS

To avoid the potential for selective disclosure or even the perception or appearance of selective disclosure, the Company will observe quiet periods prior to quarterly earnings announcements or when material changes are pending. Regular quiet periods will commence two days before the end of a quarter and end on the date of a news release disclosing results for the quarter just ended.

During a quiet period, the Company will not initiate any meetings or telephone contacts with analysts and investors, but will respond to unsolicited inquiries concerning factual matters. However, the Company may accept invitations to participate in investment meetings and conferences organized by others, as long as material, non-public information is not selectively disclosed.

FORWARD-LOOKING INFORMATION

When CGI elects to disclose forward-looking information in continuous disclosure documents, speeches, conference calls, etc., the following guidelines will be observed.

w All material forward-looking information will be broadly disseminated via news release and included in the Company's annual and quarterly

MD&A. The Committee will assess whether an update is required on a quarterly basis or as circumstances warrant.

- The information will be clearly identified as forward looking.
- The Company will identify all material assumptions used in the preparation of the forward-looking information.
- The information will be accompanied by a statement that identifies, in specific terms, the risks and uncertainties that may cause the actual results to differ materially from those projected in the statement.
- The information may be accompanied by supplementary information such as a range of reasonably possible outcomes or a sensitivity analysis to indicate the extent to which different business conditions may affect the actual outcome.
- The information will be accompanied by a statement that the information is as of the current date and subject to change after that date and the Company disclaims any intention to update or revise the forward-looking information, whether as a result of new information, future events or otherwise.
- Once forward looking information has been disclosed, CGI will regularly assess whether an update is required and ensure that past disclosure of forward-looking information is accurately reflected in current MD&A.
- Forward-looking statements shall be updated, if necessary, by issuing a press release and filing a material change report.

DISCLOSURE RECORD

The Vice-President, Corporate Communications & Investor Relations will maintain a five-year record of all public information about the Company, including continuous disclosure documents, news releases, analysts' reports, transcripts or tape recordings of conference calls, debriefing notes, notes from meetings and telephone conversations with analysts and investors, and newspaper articles.

ELECTRONIC COMMUNICATIONS

Employees must not use electronic communications to leak or discuss in any way undisclosed material information regarding CGI's affairs and
business.

a) Officers responsible for monitoring CGI's electronic communications:

i) The Vice-President, Corporate Communications & Investor Relations, under the authority of the Disclosure Policy Committee, and

ii) Such officers will be responsible for monitoring CGI's electronic communications and enforcing compliance with CGI's guidelines. Moreover, in order to ensure the integrity and security of CGI's electronic communications, regular review and update of its security systems will be executed. The Vice-President, Corporate Communications & Investor Relations will maintain a log indicating the date that material information is posted and/or removed from the IR section of the Web site. Documents filed with securities regulators will be maintained on the web site for a minimum of two years.

b) CGI's website:

i) The Vice-President, Corporate Communications & Investor Relations, under the authority of the Disclosure Policy Committee shall be responsible for maintaining CGI's website up-to-date and accurate. All material information shall be dated when posted or modified and outdated information shall be archived, and

ii) All CGI corporate "timely disclosure" documents as well as any other public documents filed with the Exchanges and the Canadian securities commissions or required to be posted on the website shall be posted in their entirety on CGI's website. Such documents include:

- the annual and interim financial statements and related auditors report and MD&A;
- the annual report;
- interim shareholder reports;
- the annual information form;
- press releases (whether or not favourable);
- management proxy circulars;
- CEO and CFO financial statements certifications;
- Corporate governance Guidelines;
- Board and Board Committee Charters;
- Code of Business Conduct and Ethics;
- Insider trading reports; and
- any other communications transmitted to shareholders.

No material information shall be posted on CGI's website before it has been widely disseminated.

The Vice-President, Corporate Communications & Investor Relations must approve all links from the Company Web site to a third party web site. The Web site will include a notice that advises readers they are leaving the Company's Web site and that the Company is not responsible for the contents of the other site.

The Vice-President, Corporate Communications & Investor Relations will be responsible for the responses to electronic inquiries. Only public information or information that could otherwise be disclosed in accordance with this disclosure policy shall be used to respond to electronic inquiries.

c) Rumours on the Internet:

Rumours about CGI on the Internet through chat-rooms, web logs, news groups or otherwise shall be handled similarly to rumours spread in a traditional way (refer to heading "Dealing with Rumours" of Section I).

d) Supplemental information:

It is understood that any non material information disseminated to third parties (including private investors, financial analysts, institutional investors) should also be available to all investors. Consequently, such information will be posted on CGI's website unless the volume or format makes it unduly complicated. In such case, CGI will provide a contact name on its website so that investors may have access to such information, if requested. The supplemental information includes data books, fact sheets, slides of investor presentations and other materials distributed at analyst or industry presentations.

e) Investor Relations contact information:

CGI will maintain an e-mail link on its website allowing investors to communicate directly with CGI's Investor Relations representatives. Such representatives shall ensure that any risk of selective disclosure is avoided when responding to investor e-mails. When possible, they will respond to investor enquiries by telephone.

CGI will maintain a phone number for the media, to assist them in receiving responses to questions in a timely manner in order to meet their print deadlines.

f) Utilization and exclusion of certain information:

i) Employee use of electronic information:

- CGI employees are hereby reminded that all correspondence received and sent via e-mail is to be considered corporate correspondence and therefore must not transmit confidential information externally unless protected by appropriate encryption technology;

- CGI employees are prohibited from participating in, hosting or linking to any Internet chat-rooms, bulletin boards, web logs or news groups in communications involving CGI or its securities

(even if the intention of CGI employees is to correct rumours or defend CGI);

- CGI employees are encouraged to report to the Vice-President, Corporate Communications & Investor Relations any discussion pertaining to CGI which they find on the Internet.

ii) Analyst reports and third party information:

Analyst reports are proprietary products of the analyst's firm. Distributing analyst reports or providing links to them may be viewed as an endorsement by the Company of the reports. For these reasons, the Company will not provide analyst reports through any means to persons outside of the Company or generally to employees of the Company, including posting such information on its Web site. The Company will post on its Web site a complete list, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on the Company. This list will not include links to the analysts' or any other third party Web sites or publications.

Notwithstanding the foregoing, the Company will distribute analyst reports to its directors and senior officers to assist them in understanding how the marketplace values the company and what corporate developments analysts typically consider important. This information is useful in monitoring the communications of the company, and in developing messages to better guide investor expectations.

g) Legal disclaimer:

A legal disclaimer regarding the accuracy, timeliness and completeness of the information posted on the website must be included on CGI's website at all times.

COMMUNICATION, EDUCATION AND ENFORCEMENT

This disclosure policy extends to all employees of the Company, its board of directors and authorized spokespersons. New directors, officers and employees will be provided with a copy of this disclosure policy and educated about its importance. This disclosure policy will be posted on the Company's internal Web site and changes will be communicated to all employees.

Any employee who violates this disclosure policy may face disciplinary action up to and including termination of employment with the Company without notice. The violation of this disclosure policy may also violate certain securities laws, which could expose directors, officers or employees to personal liability. If it appears that an employee may have violated such securities laws, the Company may refer the matter to the

appropriate regulatory authorities, which could lead to fines or other penalties.

III. RESTRICTIONS APPLICABLE TO TRANSACTIONS IN SECURITIES BY INSIDERS

The acquisition or the sale of CGI securities (the "CGI Securities") by its senior executives (which means under Canadian securities legislation (the "Legislation")), a person exercising the functions of a director or of a president, vice-president, secretary, treasurer, controller or similar functions) entails under the terms of the Legislation, civil, penal and criminal liability if they carry out these operations while they have at their disposal information which has not been disclosed to the public and which information may be susceptible of affecting the decision of a reasonable investor, as well as any information that may affect the value or market price of CGI Securities. All insiders of CGI are subject to the Legislation. These insiders include CGI, its senior executives and the senior executives of its subsidiaries as well as any person or company who exercises control over 10% or more of outstanding CGI Securities.

The Legislation also provides for civil, penal and criminal liability for any person who trades in the securities of any public company if they carry out these operations while they have at their disposal information which they have reason to believe has not been disclosed to the public and that may be susceptible of affecting the decision of a reasonable investor, as well as any information that may affect the value or market price of such securities.

Any such information, whether it relates to CGI or to any other public company, is hereafter referred to as "Privileged Information".

The underlying principle of the Legislation in respect to insider restrictions is that all persons investing in securities should have access to information that may affect their investment decisions. Consequently, no insider having Privileged Information relating to CGI Securities may trade in such securities, except if such insider is justified in believing that the information is generally known or known to the other party or, as the case may be, he avails himself of an automatic subscription plan or any other automatic plan established by CGI, according to conditions set down in writing, before he learned of the information. Furthermore, no insider may disclose such Privileged Information unless he is justified in believing that the information is generally known or known to the other party or such insider must disclose the information in the necessary course of business, having no ground to believe it will be used or disclosed contrary to the guidelines set out herein.

The Legislation extends the prohibition in engaging in transactions with CGI Securities at the time when a person possesses Privileged Information to:

(i) any person who possesses Privileged Information as a result of any relationship he may have with CGI in the performance of his duties, or within the scope of commercial or professional activities

(ii) any person who possesses Privileged Information coming from, to his knowledge, an insider or another person targeted by this prohibition and

(iii) any person who possesses Privileged Information which he knows to be such, with respect to CGI.

TRANSACTIONS BY SENIOR EXECUTIVES OF CGI

CGI believes that it is important to establish rules of conduct in order to ensure the respect of all Legislation pertaining to senior executives' transactions in CGI Securities as well as in the securities of other public companies. These rules of conduct are the following, their application being cumulative and not exclusive:

a) Directors, senior executives, insiders and CGI employees who have access to Privileged Information regarding CGI or any other public Company may not carry out any transaction with CGI Securities when in possession of Privileged Information.

b) Subject to the restrictions provided for in the Legislation, these persons must pre clear their trades with the Corporate Secretary and may only trade in CGI Securities within the periods permitted under the *CGI Policy on Insider Trading and Blackout Periods* .

c) The directors may not carry out any transaction with CGI Securities from the date of receipt of any notice concerning a meeting of the Board of Directors, or of any other notice, whether or not this notice discloses any Privileged Information.

d) Directors and senior executives shall avoid frequent transactions in the market in order to avoid the appearance of speculation.

e) Directors and senior executives shall not engage in short selling in respect of CGI Securities and shall not sell a call or buy a put in respect of CGI Securities.

The foregoing rules exist in order to help the directors and senior executives of CGI satisfy themselves and all third parties, that they only carry out transactions in CGI Securities at times when it is reasonable for them to believe that all Privileged Information regarding CGI has been publicly disclosed.

DISCLOSURE OF PRIVILEGED INFORMATION

As mentioned above, the Legislation prohibits the disclosure of Privileged Information. This prohibition extends to the same persons who are not permitted to carry out transactions when in possession of Privileged Information.

CGI believes it is important to establish the following additional rules of

conduct concerning the disclosure of Privileged Information:

g) Material information regarding the activities and affairs of CGI will be disclosed in a timely manner, in accordance with the requirements of the timely disclosure policies of the TSX and the NYSE and applicable securities legislation (as discussed in Section I).

h) It is forbidden for management, insiders and employees of CGI to convey to any person whatsoever, any and all material information related to the activities and affairs of CGI before CGI's shareholders and the general public have been notified (by way of media or other means), except in the necessary course of business and subject to an obligation of confidentiality.

INSIDER REPORTS

Any person who becomes an insider of CGI shall file an electronic profile in the System for Electronic Disclosure by Insiders ("SEDI") (www.sedi.ca).

In addition, CGI insiders are required to declare any modifications or changes (whatever the percentage) to their holdings in CGI Securities within 10 days of such a change, except in certain limited exceptions. In this regard, an insider report must be completed and filed in SEDI. The insider of CGI who registers or causes to be registered any CGI Securities in the name of a third person shall file an insider report, except in the case of a bona fide transfer in guarantee. In such case and where the insider fails to file the report provided for by the Legislation, the third person shall file the report himself on becoming aware of the failure.

The obligation to complete insider reports shall continue for as long as the person qualifies as an insider.

An insider is required to file an amended insider profile within ten days of a change in the insider's name or relationship to CGI. If there is a change in any other information in the insider profile, an amended insider profile is only required at the time of the insider's next SEDI filing.

As a matter of law, the responsibility for filing and updating an electronic profile and for filing insider reports in SEDI lies solely with the insider. However, CGI's secretariat staff will send three days prior to the end of each month to each insider of the Company a reminder to complete an insider report, if necessary. It is recommended that each insider inform the Company's Corporate Secretary prior to completion of any transaction on CGI Securities.

Appendix

APPENDIX A

Definition of Independence in effect as of June 30, 2005 under CSA Multilateral Instrument 52-110

1.4 Meaning of independence

(1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.

(2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement.

(3) Despite subsection (2), the following individuals are considered to have a material relationship withan issuer:

(a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;

(b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;

(c) an individual who:

(i) is a partner of a firm that is the issuer's internal or external auditor,

(ii) is an employee of that firm, or

(iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

(d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:

(i) is a partner of a firm that is the issuer's internal or external auditor,

(ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or

(iii) was within the last three years a partner or employee of that firmand personally worked on the issuer's audit within that time;

(e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and

(f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than $75,000 in direct compensation from the issuer during any 12 month period within the last three years.

(4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because

(a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or

(b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.

(5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

(6) For the purposes of clause (3)(f), direct compensation does not include:

(a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and

(b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

(7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member

(a) has previously acted as an interim chief executive officer of the issuer, or

(b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

(8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

1.5 additional independence requirements

(1) Despite any determination made under section 1.4, an individual who

(a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part time chair or vice-chair of the board or any board committee; or

(b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.

(2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

(a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

(b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

(3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

Management's and Auditors' Reports

MANAGEMENT'S STATEMENT OF RESPONSIBILITY FOR FINANCIAL REPORTING

The management of CGI Group Inc. ("the Company") is responsible for the preparation and integrity of the consolidated financial statements and the Management's Discussion and Analysis ("MD&A"). The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and necessarily include some amounts that are based on management's best estimates and judgment. Financial and operating data elsewhere in the MD&A are consistent with that contained in the accompanying consolidated financial statements.

To fulfill its responsibility, management has developed, and continues to maintain, systems of internal controls reinforced by the Company's standards of conduct and ethics, as set out in written policies to ensure the reliability of the financial information and to safeguard its assets. The Company's internal control over financial reporting and consolidated financial statements are subject to audit by the independent auditors, Deloitte & Touche LLP, whose report follows. They were appointed as independent auditors, by a vote of the Company's shareholders, to conduct an integrated audit of the Company's consolidated financial statements and of the Company's internal control over financial reporting. In addition, the Management Committee of the Company reviews the disclosure of corporate information and oversees the functioning of the Company's disclosure controls and procedures.

Members of the Audit and Risk Management Committee of the Board of Directors, all of whom are independent of the Company, meet regularly with the independent auditors and with management to discuss internal controls in the financial reporting process, auditing matters and financial reporting issues and formulates the appropriate recommendations to the Board of Directors. The independent auditors have unrestricted access to the Audit and Risk Management Committee. The financial statements and MD&A have been reviewed and approved by the Board of Directors.



Michael E. Roach
President and Chief Executive Officer



R. David Anderson
Executive Vice-President and Chief Financial Officer

November 9, 2008

MANAGEMENT REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements for external reporting purposes in accordance with accounting principles generally accepted in Canada.

The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with accounting principles generally accepted in Canada, and that receipts and expenditures are being made only in accordance with authorizations of management and the directors of the Company; and,
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

All internal control systems have inherent limitations; therefore, even where internal control over financial reporting is determined to be effective, it can provide only reasonable assurance. Projections of any evaluation of effectiveness to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

There was one exclusion from our assessment. Our interest in a joint venture was excluded from our assessment as we do not have the ability to dictate or modify the joint venture's internal control over financial reporting, and we do not have the practical ability to assess those controls. Our interest in the joint venture represents 1.1% of our consolidated total assets and 2.4% of our consolidated revenue as at and for the year ended September 30, 2008. We have assessed the Company's internal controls over the inclusion of our share of the joint venture and its results for the year in our consolidated financial statements.

As of the end of the Company's 2008 fiscal year, management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the framework established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has determined the Company's internal control over financial reporting as at September 30, 2008 was effective.

The effectiveness of the Company's internal control over financial reporting as at September 30, 2008 has been audited by the Company's independent auditors, as stated in their report appearing on page 4.



Michael E. Roach
President and Chief Executive Officer



R. David Anderson
Executive Vice-President and Chief Financial Officer

November 9, 2008

REPORT OF INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS

To the Board of Directors and Shareholders of CGI Group Inc.

We have audited the internal control over financial reporting of CGI Group Inc. and subsidiaries ("the Company") as of September 30, 2008, based on the criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management's Report on Internal Control over Financial Reporting, management excluded from their assessment the internal control over financial reporting concerning one investment. Management excluded from its assessment the internal control over financial reporting of its interest in a joint venture because the Company does not have the ability to dictate or modify the controls at this entity and does not have the ability to assess, in practice, the controls at the entity. Their interest in the joint venture constitutes 1.1 % of total assets and 2.4% of revenues of the consolidated financial statements of the Company as of and for the year ended September 30, 2008. Accordingly, our audit did not include the internal control over financial reporting of that investment. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

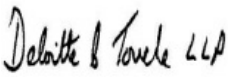
We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2008, based on the criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of the Company as at and for the year ended September 30, 2008, and our report dated November 9, 2008 expressed an unqualified opinion on those financial statements and included a separate report titled Comments By Independent Registered Chartered Accountants for U.S. Readers on Canada-U.S. Reporting Differences.



Deloitte & Touche LLP
Independent Registered Chartered Accountants

Montréal, Québec
November 9, 2008

REPORT OF INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS

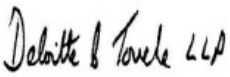
To the Board of Directors and Shareholders of CGI Group Inc.

We have audited the accompanying consolidated balance sheets of CGI Group Inc. and subsidiaries (the "Company") as at September 30, 2008 and 2007 and the related consolidated statements of earnings, comprehensive income, retained earnings and cash flows for each of the three years in the period ended September 30, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of CGI Group Inc. and subsidiaries as at September 30, 2008 and 2007 and the results of its operations and its cash flows for each of the years in the three-year period ended September 30, 2008, in accordance with Canadian generally accepted accounting principles.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of September 30, 2008, based on the criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report, dated November 9, 2008, expressed an unqualified opinion on the Company's internal control over financial reporting.

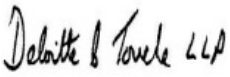


Deloitte & Touche LLP
Independent Registered Chartered Accountants

Montréal, Québec
November 9, 2008

COMMENTS BY INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS
FOR U.S. READERS ON CANADA-U.S. REPORTING DIFFERENCES

The standards of the Public Company Accounting Oversight Board (United States) require the addition of an explanatory paragraph (following the opinion paragraph) when there are changes in accounting principles that have a material effect on the comparability of the Company's financial statements, such as the changes described in Note 2 to the financial statements. Although we conducted our audits in accordance with both Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States), our report to the Board of Directors and Shareholders of the consolidated financial statements of CGI Group Inc. dated November 9, 2008, is expressed in accordance with Canadian reporting standards, which do not require a reference to such changes in accounting principles in the auditors' report when the change is properly accounted for and adequately disclosed in the financial statements.



Deloitte & Touche LLP
Independent Registered Chartered Accountants

Montréal, Québec
November 9, 2008

Consolidated Financial Statements

Consolidated Statements of Earnings

Years ended September 30 (in thousands of Canadian dollars, except share data)	**2008**	2007	2006
	$	$	$
Revenue	**3,705,863**	3,633,945	3,393,382
Operating expenses			
Costs of services, selling and administrative (Note 18)	**3,111,965**	3,053,739	2,919,007
Amortization (Note 14)	**163,944**	175,029	168,381
Restructuring costs related to specific items (Note 16)	**–**	23,010	67,266
Interest on long-term debt	**27,284**	41,818	43,291
Other income	**(5,570)**	(9,336)	(7,588)
Interest and other expenses	**3,341**	283	491
Gain on sale of assets	**–**	(700)	(10,475)
	3,300,964	3,283,843	3,180,373
Earnings from continuing operations before income taxes and non-controlling interest	**404,899**	350,102	213,009
Income taxes (Note 17)	**106,133**	115,192	69,239
Non-controlling interest, net of income taxes	**868**	251	–
Earnings from continuing operations	**297,898**	234,659	143,770
(Loss) earnings from discontinued operations, net of income taxes (Note 20)	**(5,134)**	1,743	2,763
Net earnings	**292,764**	236,402	146,533
Basic earnings (loss) per share			
Continuing operations (Note 13)	**0.94**	0.71	0.39
Discontinued operations	**(0.02)**	0.01	0.01
	0.92	0.72	0.40
Diluted earnings (loss) per share			
Continuing operations (Note 13)	**0.92**	0.70	0.39
Discontinued operations	**(0.02)**	0.01	0.01
	0.90	0.71	0.40

See Notes to the consolidated financial statements.

Consolidated Statements of Comprehensive Income

Years ended September 30 (in thousands of Canadian dollars)	**2008**	2007	2006
	$	$	$
Net earnings	**292,764**	236,402	146,533
Net unrealized gains (losses) on translating financial statements of self-sustaining foreign operations	**67,561**	(118,785)	(47,857)
Net unrealized (losses) gains on translating long-term debt designated as a hedge of net investment in self-sustaining foreign operations	**(538)**	22,848	8,794
Net unrealized losses on cash flow hedges	**(1,200)**	–	–
Other comprehensive income (loss) before income taxes	**65,823**	(95,937)	(39,063)
Income tax expense (recovery) on other comprehensive income (loss)	**1,174**	913	(623)
Other comprehensive income (loss) (Note 15)	**64,649**	(96,850)	(38,440)
Comprehensive income	**357,413**	139,552	108,093

See Notes to the consolidated financial statements.

Consolidated Statements of Retained Earnings

Years ended September 30 (in thousands of Canadian dollars)	**2008**	2007	2006
	$	$	$
Balance, beginning of year	**752,847**	587,201	895,267
Net earnings	**292,764**	236,402	146,533
Share repurchase costs (Note 11)	**–**	–	(6,760)
Excess of purchase price over carrying value of Class A subordinate shares acquired (Note 11)	**(121,890)**	(70,756)	(447,839)
Balance, end of year	**923,721**	752,847	587,201

See Notes to the consolidated financial statements.

Consolidated Balance Sheets

As at September 30 (in thousands of Canadian dollars)	**2008**	2007
	$	$
Assets		
Current assets		
Cash and cash equivalents (Note 3)	**50,134**	88,879
Accounts receivable (Note 4)	**487,563**	466,042
Work in progress	**228,510**	176,417
Prepaid expenses and other current assets	**82,992**	67,625
Income taxes	**4,189**	4,849
Future income taxes (Note 17)	**34,031**	30,434
Assets held for sale (Note 20)	**1,398**	53,631
	888,817	887,877
Capital assets (Note 5)	**178,435**	142,405
Contract costs (Note 6)	**166,911**	192,722
Finite-life intangibles and other long-term assets (Note 7)	**422,078**	445,824
Future income taxes (Note 17)	**7,747**	4,673
Goodwill (Note 8)	**1,689,362**	1,646,929
Total assets before funds held for clients	**3,353,350**	3,320,430
Funds held for clients	**330,623**	155,378
	3,683,973	3,475,808
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**339,765**	331,123
Accrued compensation	**127,151**	130,830
Deferred revenue	**133,688**	150,211
Income taxes	**79,260**	108,272
Future income taxes (Note 17)	**25,529**	21,825
Current portion of long-term debt (Note 10)	**100,917**	9,815
Liabilities held for sale (Note 20)	**657**	12,095
	806,967	764,171
Future income taxes (Note 17)	**184,686**	202,718
Long-term debt (Note 10)	**290,174**	463,376
Other long-term liabilities (Note 9)	**72,181**	71,897
Total liabilities before clients' funds obligations	**1,354,008**	1,502,162
Clients' funds obligations	**330,623**	155,378
	1,684,631	1,657,540
Commitments, contingencies and guarantees (Note 26)		
Shareholders' equity		
Retained earnings	**923,721**	752,847
Accumulated other comprehensive loss (Note 15)	**(321,424)**	(386,073)
	602,297	366,774
Capital stock (Note 11)	**1,319,672**	1,369,029
Contributed surplus (Note 12 b)	**77,373**	82,465
	1,999,342	1,818,268
	3,683,973	3,475,808

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)	**2008**	2007	2006
	$	$	$
Operating activities			
Earnings from continuing operations	**297,898**	234,659	143,770
Adjustments for:			
Amortization (Note 14)	**186,892**	198,335	197,375
Non-cash portion of restructuring costs related to specific items	**–**	–	1,311
Deferred credits	**–**	–	(781)
Future income taxes (Note 17)	**(22,839)**	10,054	(34,225)
Foreign exchange loss	**1,846**	3,833	1,412
Stock-based compensation (Note 12 a)	**5,131**	13,933	12,895
Gain on sale of assets	**–**	(700)	(10,475)
Non-controlling interest, net of income tax	**868**	251	–
Net change in non-cash working capital items (Note 22 a)	**(113,886)**	84,250	(8,578)
Cash provided by continuing operating activities	**355,910**	544,615	302,704
Investing activities			
Business acquisitions (net of cash acquired) (Note 19)	**–**	(17,298)	(25,620)
Proceeds from sale of assets and businesses (net of cash disposed) (Notes 19 and 20)	**29,238**	–	30,114
Purchase of capital assets	**(60,983)**	(50,967)	(40,696)
Proceeds from disposal of capital assets	**–**	1,371	562
Payment of contract costs	**(13,138)**	(24,189)	(33,990)
Reimbursement of contract costs upon termination of a contract	**–**	2,143	–
Additions to finite-life intangibles and other long-term assets	**(48,044)**	(66,306)	(72,281)
Decrease in other long-term assets	**3,019**	908	2,677
Cash used in continuing investing activities	**(89,908)**	(154,338)	(139,234)
Financing activities			
Use of credit facilities	**90,305**	30,113	746,170
Repayment of credit facilities	**(196,533)**	(353,643)	(158,944)
Repayment of long-term debt	**(14,064)**	(7,466)	(13,124)
Repurchase of Class A subordinate shares (Note 11)	**(216,208)**	(128,541)	(926,145)
Issuance of shares (net of share issue costs) (Note 11)	**32,423**	42,744	57,963
Cash used in continuing financing activities	**(304,077)**	(416,793)	(294,080)
Effect of foreign exchange rate changes on cash and cash equivalents from continuing operations	**398**	(3,962)	(352)
Net decrease in cash and cash equivalents from continuing operations	**(37,677)**	(30,478)	(130,962)
Net cash and cash equivalents (used in) provided by discontinued operations (Note 20)	**(1,068)**	3,628	6,232
Cash and cash equivalents, beginning of year	**88,879**	115,729	240,459
Cash and cash equivalents, end of year (Note 3)	**50,134**	88,879	115,729

Supplementary cash flow information (Note 22)
See Notes to the consolidated financial statements

Note 1 > Description of Business

CGI Group Inc. (the "Company"), directly or through its subsidiaries, manages information technology services ("IT services"), including outsourcing, systems integration and consulting, software licenses and maintenance, as well as business process services ("BPS") to help clients cost effectively realize their strategies and create added value.

Note 2 > Summary of Significant Accounting Policies

The consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), which differ in certain material respects from U.S. GAAP. A reconciliation between Canadian and U.S. GAAP can be found in Note 29.

Certain comparative figures have been reclassified in order to conform to the presentation adopted in 2008, including the impact of the restatement for discontinued operations (Note 20) and the change in segmentation (Note 8).

CHANGES IN ACCOUNTING POLICIES

The Canadian Institute of Chartered Accountants ("CICA") issued the following new Handbook sections, which were effective for interim periods beginning on or after October 1, 2007:

a) Section 3862, "Financial Instruments — Disclosures", describes the required disclosure for the assessment of the significance of financial instruments for an entity's financial position and performance and of the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks. This Section and Section 3863, "Financial Instruments — Presentation" replaced Section 3861, "Financial Instruments — Disclosure and Presentation".

b) Section 3863, "Financial Instruments — Presentation", establishes standards for presentation of financial instruments and non-financial derivatives.

c) Section 1535, "Capital Disclosures", establishes standards for disclosing information about an entity's capital and how it is managed. It describes the disclosure requirements of the entity's objectives, policies and processes for managing capital, the quantitative data relating to what the entity regards as capital, whether the entity has complied with capital requirements, and, if it has not complied, the consequences of such non-compliance.

The additional disclosures required as a result of the adoption of these standards are included in the notes to the consolidated financial statements (Note 27 and Note 28).

USE OF ESTIMATES

The preparation of the consolidated financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and shareholders' equity and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Because of the use of estimates inherent in the financial reporting process, actual results could differ from those estimates. Significant estimates include, but are not limited to, goodwill, income taxes, contingencies and other liabilities, accrued integration charges, revenue recognition, stock based compensation, investment tax credits and government assistance and the impairment of long-lived assets.

BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated. The Company accounts for its jointly-controlled investment using the proportionate consolidation method.

REVENUE RECOGNITION, WORK IN PROGRESS AND DEFERRED REVENUE

The Company generates revenue principally through the provision of IT services and BPS.

The IT services include a full range of information technology services, namely: i) outsourcing ii) systems integration and consulting iii) software licenses and iv) provision of maintenance. BPS provides business processing for the financial services sector, as well as other services such as payroll and document management services.

The Company provides services and products under arrangements that contain various pricing mechanisms. The Company recognizes revenue when persuasive evidence of an arrangement exists, services or products have been provided to the client, the fee is fixed or determinable, and collectibility is reasonably assured.

The Company's arrangements often include a mix of the services listed below. If an arrangement involves the provision of multiple elements, the total arrangement value is allocated to each element as a separate unit of accounting if: 1) the delivered item has value to the client on a stand-alone basis; 2) there is objective and reliable evidence of the fair value of the undelivered item; and 3) in an arrangement that includes a general right of return relative to the delivered item, the delivery or performance of the undelivered item is considered probable and substantially in the control of the Company. If these criteria are met, then the total consideration of the arrangement is allocated among the separate units of accounting based on their relative fair values. Fair value is established based on the internal or external evidence of the amount charged for each revenue element. However, some software license arrangements are subject to specific policies as described below in "Software license arrangements".

In situations where there is fair value for all undelivered elements, but not for the delivered elements, the residual method is used to allocate the arrangement consideration. Under the residual method, the amount of revenue allocated to the delivered elements equals the total arrangement consideration less the aggregate fair value of any undelivered elements.

For all types of arrangements, the appropriate revenue recognition method is applied for each unit of accounting, as described below, based on the nature of the arrangement and the services included in each unit of accounting. All deliverables that do not meet the separation criteria are combined into one unit of accounting and the most appropriate revenue recognition method is applied.

Some of the Company's arrangements may include client acceptance clauses. Each clause is analyzed to determine whether the earnings process is complete when the service is performed. If uncertainty exists about client acceptance, revenue is not recognized until acceptance occurs. Formal client sign-off is not always necessary to recognize revenue provided that the Company objectively demonstrates that the criteria specified in the acceptance provisions are satisfied. Some of the criteria reviewed include the historical experience with similar types of arrangements, whether the acceptance provisions are specific to the client or are included in all arrangements, the length of the acceptance term and the historical experience with the specific client.

Provisions for estimated contract losses, if any, are recognized in the period in which the loss is determined. Contract losses are measured at the amount by which the estimated total costs exceed the estimated total revenue from the contract.

Outsourcing and BPS Arrangements
Revenue from outsourcing and BPS arrangements under time and materials and unit-priced arrangements are recognized as the services are provided at the contractually stated price. If the contractual per-unit prices within a unit-priced contract change during the term of the arrangement, the Company evaluates whether it is more appropriate to record revenue based on the average per-unit price during the term of the contract or based on the actual amounts billed.

Revenue from outsourcing and BPS arrangements under fixed-fee arrangements is recognized on a straight-line basis over the term of the arrangement, regardless of the amounts billed, unless there is a better measure of performance or delivery.

Systems Integration and Consulting Services
Revenue from systems integration and consulting services under time and material arrangements is recognized as the services are rendered, and revenue under cost-based arrangements is recognized as reimbursable costs are incurred.

Revenue from systems integration and consulting services under fixed-fee arrangements and software licenses arrangements where the implementation services are essential to the functionality of the software or where the software requires significant customization are recognized using the percentage-of-completion method over the implementation period. The Company uses the labour costs or labour hours incurred to date to measure the progress towards completion. This method relies on estimates of total expected labour costs or total expected labour hours to complete the service, which are compared to labour costs or labour hours incurred to date, to arrive at an estimate of the percentage of revenue earned to date. Management regularly reviews underlying estimates of total expected labour costs or hours. Revisions to estimates are reflected in the statement of earnings in the period in which the facts that gave rise to the revision became known.

Revenue from systems integration and consulting services under benefits-funded arrangements is recognized only to the extent it can be predicted, with reasonable certainty, that the benefit stream will generate amounts sufficient to fund the value on which revenue recognition is based.

Software License Arrangements
Most of the Company's software license arrangements are accounted for as described above in "Systems integration and consulting services". In addition, the Company has software license arrangements that do not include implementation services that are essential to the functionality of the software or software that requires significant customization, but that may involve the provision of multiple elements such as integration and post-contract customer support. For these types of arrangements, revenue from software licenses is recognized upon delivery of software if persuasive evidence of an arrangement exists, collection is probable, the fee is fixed or determinable and vendor-specific objective evidence ("VSOE") of fair value of an arrangement exists to allocate the total fee to the different elements of an arrangement based on their relative VSOE of fair value. The residual method, as defined above, using VSOE of fair value can be used to allocate the arrangement consideration. VSOE of fair value is established through internal evidence of prices charged for each revenue element when that element is sold separately. Revenue from maintenance services for licenses sold and implemented is recognized ratably over the term of the contract.

Work in Progress and Deferred Revenue
Amounts recognized as revenue in excess of billings are classified as work in progress. Amounts received in advance of the delivery of products or performances of services are classified as deferred revenue.

REIMBURSEMENTS
Reimbursements, including those relating to travel and other out-of-pocket expenses, and other similar third party costs, such as the cost of hardware and software re-sales, are included in revenue, and the corresponding expense is included in costs of services when the Company has assessed that the costs meet the criteria for gross revenue recognition.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents consist of unrestricted cash and short-term investments having an initial maturity of three months or less.

CAPITAL ASSETS
Capital assets are recorded at cost and are amortized over the following estimated useful lives of the assets, using the straight-line method:

Buildings	10 to 40 years
Leasehold improvements	Lesser of the useful life or lease term plus first renewal option
Furniture and fixtures	3 to 10 years
Computer equipment	3 to 5 years

FUNDS HELD FOR CLIENTS AND CLIENTS' FUNDS OBLIGATIONS
In connection with the Company's payroll, tax filing and claims services, the Company collects funds for payment of payroll, taxes and claims, temporarily holds such funds until payment is due, remits the funds to the clients' employees, appropriate tax authorities or claim holders, files federal and local tax returns, and handles related regulatory correspondence and amendments. The Company presents the funds held for clients and related obligations separately.

CONTRACT COSTS
Contract costs are mainly incurred when acquiring or implementing long-term IT services and BPS contracts. These assets are recorded at cost and amortized using the straight-line method over the term of the respective contracts. Contract costs are comprised primarily of incentives and transition costs.

Occasionally, incentives are granted to clients upon signing of outsourcing contracts. These incentives can be granted either in the form of cash payments, issuance of equity instruments or discounts awarded principally over a transition period, as negotiated in the contract. In the case of equity instruments, cost is measured at the estimated fair value at the time they are issued. For discounts, cost is measured at the value of the granted financial commitment and a corresponding amount is recorded as deferred revenue in other long-term liabilities. As services are provided to the client, the amount is amortized and recorded as a reduction of revenue.

Capital assets acquired from a client in connection with outsourcing contracts are capitalized as such and amortized consistent with the amortization policies described previously. The excess of the amount paid over the fair value of capital assets acquired in connection with outsourcing contracts is considered as an incentive granted to the client, and is recorded as described in the preceding paragraph.

Transition costs consist of expenses associated with the installation of systems and processes incurred after the award of outsourcing contracts, relocation of transitioned employees and exit from client facilities. Under BPS contracts, the costs consist primarily of expenses related to activities such as the conversion of the client's applications to the Company's platforms. These incremental costs are comprised essentially of labour costs, including compensation and related fringe benefits, as well as subcontractor costs.

Pre-contract costs associated with acquiring or implementing long-term IT services and BPS contracts are expensed as incurred except where it is virtually certain that the contracts will be awarded and the costs are incremental and directly related to the acquisition of the contract. Eligible contract costs are recorded at cost and amortized using the straight-line method over the expected term of the respective contracts.

FINITE-LIFE INTANGIBLE ASSETS
Finite-life intangible assets consist mainly of internal-use software, business solutions, software licenses and client relationships.

Internal-use software, business solutions and software licenses are recorded at cost. Business solutions developed internally and marketed for distribution are capitalized when they meet specific capitalization criteria related to technical, market and financial feasibility. Business solutions and software licenses acquired through a business combination are initially recorded at fair value based on the estimated net future income-producing capabilities of the software products. Client relationships are acquired through business combinations and are initially recorded at their fair value based on the present value of expected future cash flows.

The Company amortizes its finite-life intangible assets using the straight-line method over the following estimated useful lives:

Internal-use software	2 to 7 years
Business solutions	2 to 10 years
Software licenses	3 to 8 years
Client relationships and other	2 to 10 years

OTHER LONG-TERM ASSETS

Other long-term assets (Note 7) consist mainly of deferred financing fees, deferred compensation plan assets, long-term maintenance agreements and the fair value of forward contracts. The Company amortizes its long-term maintenance agreements using the straight-line method over the term of the contract.

IMPAIRMENT OF LONG-LIVED ASSETS

When events or changes in circumstances indicate that the carrying amount of long-lived assets, such as capital assets, contract costs and finite-life intangibles, may not be recoverable, undiscounted estimated cash flows are projected over their remaining term and compared to the carrying amount. To the extent that such projections indicate that future undiscounted cash flows are not sufficient to recover the carrying amounts of related assets, a charge is recorded to reduce the carrying amount to the projected future discounted cash flows.

BUSINESS COMBINATIONS AND GOODWILL

The Company accounts for its business combinations using the purchase method of accounting. Under this method, the Company allocates the purchase price to tangible and intangible assets acquired and liabilities assumed based on estimated fair values at the date of acquisition, with the excess of the purchase price amount being allocated to goodwill. Goodwill for each reporting unit is assessed for impairment at least annually, or when an event or circumstance occurs that more likely than not reduces the fair value of a reporting unit below its carrying amount. An impairment charge is recorded when the goodwill carrying amount of the reporting unit exceeds its fair value.

ACCRUED INTEGRATION CHARGES

Accrued integration charges are comprised of liabilities for costs incurred in business combinations and restructuring activities, such as severance payments related to the termination of certain employees of the acquired business performing functions already available through the Company's existing structure and provisions related to leases for premises occupied by the acquired businesses that the Company plans to vacate.

EARNINGS PER SHARE

Basic earnings per share are based on the weighted average number of shares outstanding during the period. The dilutive effect of stock options is determined using the treasury stock method.

RESEARCH AND SOFTWARE DEVELOPMENT COSTS

Research costs are charged to earnings in the period in which they are incurred, net of related tax credits. The Company follows the cost reduction method to account for tax credits.

Under this method, tax credits related to current expenditures are recognized in the period in which the related expenditures are charged to operations, provided there is reasonable assurance of realization. Tax credits related to capital expenditures are recorded as a reduction of the cost of the related asset, provided there is reasonable assurance of realization. Included in costs of services, selling and administrative expenses are research expenses in the amount of $28,775,000 ($35,661,000 in 2007 and $27,909,000 in 2006). Software development costs are charged to earnings in the year they are incurred, net of related tax credits, unless they meet specific capitalization criteria related to technical, market and financial feasibility. During the year, the Company incurred direct research and software development expenses of $54,759,000 ($73,775,000 in 2007 and $68,700,000 in 2006).

Capitalized software development costs are included as part of finite-life intangibles in the amount of $25,984,000 ($37,911,000 in 2007). Research and software development tax credits amounting to $854,000 were recorded against these assets for the year ended September 30, 2008 ($853,000 in 2007).

INCOME TAXES

Income taxes are accounted for using the asset and liability method of accounting for income taxes. Future income tax assets and liabilities are determined based on deductible or taxable temporary differences between the amounts reported for financial statement purposes and tax values of assets and liabilities using enacted or substantively enacted income tax rates expected to be in effect for the year in which the differences are expected to reverse. A valuation allowance is recorded for the portion of the future income tax assets when its realization is not considered more likely than not.

TRANSLATION OF FOREIGN CURRENCIES

Revenue and expenses denominated in foreign currencies are recorded at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing at the balance sheet date. Realized and unrealized translation gains and losses are reflected in net earnings.

Self-sustaining subsidiaries, with economic activities largely independent of the Company, are accounted for using the current rate method. Under this method, assets and liabilities of subsidiaries denominated in a foreign currency are translated into Canadian dollars at exchange rates in effect at the balance sheet date. Revenue and expenses are translated at average exchange rates prevailing during the period. Resulting unrealized gains or losses are reported as net unrealized gains (losses) on translating financial statements of self-sustaining foreign operations in the Consolidated Statements of Comprehensive Income. As a result of differences in the translation of the financial statements of foreign subsidiaries, accumulated other comprehensive loss decreased by $67,023,000 before income taxes and increased by $95,937,000 before income taxes in 2008 and 2007, respectively. These variations resulted principally from translating U.S. dollar denominated goodwill.

The accounts of foreign subsidiaries, which are financially or operationally dependent on the Company, are accounted for using the temporal method. Under this method, monetary assets and liabilities are translated at the exchange rates in effect at the balance sheet date, and non-monetary assets and liabilities are translated at historical exchange rates. Revenue and expenses are translated at average rates for the period. Translation exchange gains or losses of such subsidiaries are reflected in net earnings.

STOCK-BASED COMPENSATION

Stock-based compensation cost is recorded using the fair value based method. This method consists of recording compensation cost to earnings over the vesting period of options granted. When stock options are exercised, any consideration paid by employees is credited to capital stock and the recorded fair value of the option is removed from contributed surplus and credited to capital stock.

HEDGING TRANSACTIONS

The Company uses various financial instruments to manage its exposure to fluctuations in foreign currency exchange rates. The Company does not hold or use any derivative instruments for trading purposes.

Effective December 21, 2007, the Company undesignated its US$192,000,000 Senior U.S. unsecured notes as the hedging instrument for a part of the Company's net investment in self-sustaining foreign subsidiaries and entered into forward contracts to hedge the contractual principal repayments of the Senior U.S. unsecured notes. The purpose of the hedging transactions is to hedge the risk of variability in functional currency equivalent cash flows associated with the foreign currency debt principal repayments (Note 10). The hedges were documented as cash flow hedges and no component of the derivative's fair value are excluded from the assessment and measurement of hedge effectiveness. The hedge is considered to be highly effective as the terms of the forward contracts coincide with the terms of the repayment of the three tranches of the debt.

The forward contracts are derivative instruments and, therefore, are recorded at fair value on the balance sheet under other long-term assets or liabilities and the effective portion of the change in fair value of the derivatives is recognized in other comprehensive income. An amount that will offset the related translation gain or loss arising from the remeasurement of the portion of the debt that is designated shall be reclassified each period from other comprehensive income (loss) to earnings. The forward premiums or discounts on the forward contracts used to hedge foreign currency long-term debt are amortized as an adjustment of interest expense over the term of the forward contracts. Valuation models, such as discounted cash flow analysis using observable market inputs, are utilized to determine fair values of the forward contracts. Realized and unrealized foreign exchange gains and losses in relation to forward contracts for the year ended September 30, 2008, were not significant.

FUTURE ACCOUNTING CHANGES

The CICA has issued the following new Handbook sections:

i) Section 3064, "Goodwill and Intangible Assets", effective for interim periods beginning on or after October 1, 2008. This section, which replaces Section 3062, "Goodwill and Other Intangible Assets", and Section 3450, "Research and Development Costs", establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. The provisions relating to the definition and initial recognition of intangible assets, including internally generated intangible assets, are equivalent to the corresponding provisions of International Financial Reporting Standards ("IFRS"). Section 1000, "Financial Statement Concepts", was also amended to provide consistency with this new standard. The Company has assessed that the impact of this standard will not be significant.

ii) Section 1400, "General Standards of Financial Statement Presentation", effective for interim periods beginning on or after October 1, 2008. This section includes requirements to assess and disclose the Company's ability to continue as a going concern. The adoption of this new section will not have an impact on the Company's consolidated financial statements.

Additionally, in February 2008, the Canadian Accounting Standards Board confirmed that the use of IFRS would be required for Canadian publicly accountable enterprises for years beginning on or after January 1, 2011. The Company is currently evaluating the impact of adopting IFRS on the consolidated financial statements.

Note 3 > Cash and Cash Equivalents

	2008	2007
	$	$
Cash	**33,433**	50,218
Cash equivalents	**16,701**	38,661
	50,134	88,879

Note 4 > Accounts Receivable

	2008	2007
	$	$
Trade	**399,397**	377,771
Other[1]	**88,166**	88,271
	487,563	466,042

[1] Other accounts receivable include refundable tax credits on salaries related to the E-Commerce Place, Cité du Multimédia de Montréal, New Economy Centres, Development of E-Business, research and development and other tax credit programs. The tax credits represent approximately $54,822,000 and $66,003,000 of other accounts receivable in 2008 and 2007, respectively.

The Company is defined as an eligible company and operates “eligible activities” under the terms of various Québec government tax credit programs on salaries for eligible employees located mainly in designated locations in the province of Québec, Canada. The Company must obtain an eligibility certificate from the Québec government annually. These programs are designed to support job creation and revitalization efforts in certain urban areas.

In order to be eligible for the E-Commerce Place, Cité du Multimédia de Montréal, New Economy Centres and other tax credits, the Company relocated some of its employees to designated locations. Real estate costs for these designated locations are significantly higher than they were at the previous facilities. As at September 30, 2008, the balance outstanding for financial commitments for these real estate locations was $399,816,000 ranging between 2 and 15 years.

The refundable tax credits are calculated at rates varying between 30% to 40% on salaries paid in Québec to a maximum range of $12,500 to $20,000 per year per eligible employee. Starting April 1, 2008, the Company became eligible for the Development of E-Business refundable tax credit, which replaces certain existing Québec tax credit programs. The fiscal measure enables corporations with an establishment in the province of Québec that carry out eligible activities in the technology sector to obtain a refundable tax credit equal to 30% of eligible salaries, up to a maximum of $20,000 per year per eligible employee until December 31, 2015

Note 5 > Capital Assets

			2008			2007
	Cost	**Accumulated amortization**	**Net book value**	Cost	Accumulated amortization	Net book value
	$	**$**	**$**	$	$	$
Land and buildings	**13,804**	**2,900**	**10,904**	10,561	2,037	8,524
Leasehold improvements	**142,740**	**63,120**	**79,620**	131,903	50,200	81,703
Furniture and fixtures	**40,433**	**18,405**	**22,028**	31,023	13,834	17,189
Computer equipment	**138,123**	**72,240**	**65,883**	87,595	52,606	34,989
	335,100	**156,665**	**178,435**	261,082	118,677	142,405

Capital assets include assets acquired under capital leases totalling $23,426,000 ($10,268,000 in 2007), net of accumulated amortization of $9,236,000 ($4,705,000 in 2007). Amortization expense of capital assets acquired under capital leases was $4,530,000 and $1,185,000 in 2008 and 2007, respectively.

Asset retirement obligations pertain to operating leases of office buildings where certain clauses require premises to be returned to their original state at the end of the lease term. The asset retirement obligation liability of $2,529,000 ($1,735,000 in 2007), which is recorded in other long-term liabilities, was based on the expected cash flows of $3,465,000 ($2,736,000 in 2007) and was discounted at an interest rate of 4.35% (5.12% in 2007). The timing of the settlement of these obligations varies between 1 and 15 years.

Note 6 > Contract Costs

	2008			2007		
	Cost	**Accumulated amortization**	**Net book value**	Cost	Accumulated amortization	Net book value
	$	**$**	**$**	$	$	$
Incentives	**241,951**	**164,527**	**77,424**	241,764	142,989	98,775
Transition costs	**152,793**	**63,306**	**89,487**	143,139	49,192	93,947
	394,744	**227,833**	**166,911**	384,903	192,181	192,722

Note 7 > Finite-life Intangibles and Other Long-term Assets

	2008		
	Cost	**Accumulated amortization**	**Net book value**
	$	**$**	**$**
Internal-use software	**84,764**	**47,467**	**37,297**
Business solutions	**300,024**	**150,214**	**149,810**
Software licenses	**134,162**	**94,572**	**39,590**
Client relationships and other	**348,893**	**199,189**	**149,704**
Finite-life intangibles	**867,843**	**491,442**	**376,401**
Deferred financing fees			**4,933**
Deferred compensation plan (Note 25)			**11,657**
Long-term maintenance agreements			**13,531**
Forward contracts (Note 27)			**8,758**
Balance of sale receivable (Note 19 b) and other			**6,798**
Other long-term assets			**45,677**
Total finite-life intangibles and other long-term assets			**422,078**

	2007		
	Cost	Accumulated amortization	Net book value
	$	$	$
Internal-use software	75,639	35,529	40,110
Business solutions	271,146	118,739	152,407
Software licenses	114,666	80,702	33,964
Client relationships and other	339,392	158,011	181,381
Finite-life intangibles	800,843	392,981	407,862
Deferred financing fees			6,481
Deferred compensation plan (Note 25)			12,206
Long-term maintenance agreements			16,159
Other			3,116
Other long-term assets			37,962
Total finite-life intangibles and other long-term assets			445,824

Amortization expense of finite-life intangibles included in the consolidated statements of earnings is as follows:

	2008	2007	2006
	$	$	$
Internal-use software	**12,307**	10,673	10,672
Business solutions	**34,607**	49,868	36,257
Software licenses	**17,997**	22,422	29,980
Client relationships and other	**37,121**	40,194	42,575
Amortization of finite-life intangibles (Note 14)	**102,032**	123,157	119,484

Note 8 > Goodwill

In prior years, management regularly reviewed the Company's operating results based on its two lines of business, IT services and BPS. During fiscal 2008, the Company divested of the Canadian claims adjusting and risk management services business (Note 19 b) and integrated BPS into its IT services line of business. As a result of these changes, the reporting segments were changed to Canada, U.S. & India, and Europe & Asia Pacific.

Due to the new reporting segments, the Company conducted two goodwill impairment tests: before and after the change in segmentation. The Company completed its annual goodwill impairment test as at September 30, 2008. Based on the results of this test, no impairment charge was required.

The variations in goodwill are as follows:

				2008
	Canada	**U.S. & India**	**Europe & Asia Pacific**	**Total**
	$	**$**	**$**	**$**
Balance, beginning of year	**1,159,431**	**390,676**	**96,822**	**1,646,929**
Purchase price adjustments (Note 19)	**(701)**	**(9,215)**	**-**	**(9,916)**
Foreign currency translation adjustment	**-**	**49,668**	**2,681**	**52,349**
Balance, end of year	**1,158,730**	**431,129**	**99,503**	**1,689,362**

				2007
	Canada	U.S. & India	Europe & Asia Pacific	Total
	$	$	$	$
Balance, beginning of year	1,163,201	465,479	97,423	1,726,103
Acquisitions (Note 19)	-	19,620	-	19,620
Purchase price adjustments (Note 19)	(3,770)	(1,265)	68	(4,967)
Foreign currency translation adjustment	-	(93,158)	(669)	(93,827)
Balance, end of year	1,159,431	390,676	96,822	1,646,929

Note 9 > Other Long-term Liabilities

	2008	2007
	$	$
Deferred compensation	**22,068**	21,404
Accrued integration and restructuring charges	**12,145**	29,955
Non-controlling interest	**5,922**	4,979
Deferred revenue	**13,441**	6,596
Lease inducements	**14,150**	6,155
Other	**4,455**	2,808
	72,181	71,897

Note 10 > Long-term Debt

	2008	2007
	$	$
Senior U.S. unsecured notes, bearing a weighted average interest rate of 4.97% and repayable by payments of $90,091,500 in 2009, of $92,211,300 in 2011 and $21,198,000 in 2014, less imputed interest of $1,072,491[1]	**202,428**	189,525
Unsecured committed revolving term facility bearing interest at LIBOR rate plus 0.63% or bankers' acceptance rate plus 0.63%, maturing in 2012[2]	**157,468**	263,696
Obligation bearing interest at 2.34% and repayable in blended monthly instalments maturing in 2010	**9,037**	–
Obligation bearing interest at 1.60% and repayable in blended monthly instalments matured in 2008	**–**	1,214
Balances of purchase price related to business acquisitions, non-interest bearing. As at September 30, 2008, the balance is payable in 2009 and is recorded at a discounted value using a 5.60% interest rate. The balance as at September 30, 2007 includes certain amounts recorded at a discounted value using a 7.00% interest rate and were paid in 2008.	**645**	10,112
Obligations under capital leases, bearing a weighted average interest rate of 5.35% and repayable in blended monthly instalments maturing at various dates until 2013	**21,513**	8,644
	391,091	473,191
Current portion	**100,917**	9,815
	290,174	463,376

1 The US$192,000,000 private placement financing with U.S. institutional investors is comprised of three tranches of senior unsecured notes maturing in January 2009, 2011 and 2014, and was issued on January 29, 2004, with a weighted average maturity of 6.4 years. The Senior U.S. unsecured notes contain covenants that require the Company to maintain certain financial ratios (Note 28). At September 30, 2008, the Company is in compliance with these covenants.

2 The Company has a five-year unsecured revolving credit facility available for an amount of $1,500,000,000 that expires in August 2012. The five-year term can be extended annually. As at September 30, 2008, an amount of $158,000,000 has been drawn upon this facility. Also an amount of $16,335,000 has been committed against this facility to cover various letters of credit issued for clients and other parties. In addition to the revolving credit facility, the Company has available demand lines of credit in the amount of $25,000,000. At September 30, 2008, no amount had been drawn upon these facilities. The revolving credit facility contains covenants that require the Company to maintain certain financial ratios (Note 28). At September 30, 2008, the Company is in compliance with these covenants. The Company also has a proportionate share of a revolving demand credit facility related to the joint venture for an amount of $5,000,000 bearing interest at the Canadian prime rate. As at September 30, 2008, no amount has been drawn upon this facility.

Principal repayments on long-term debt over the forthcoming years are as follows:	$
2009	93,819
2010	4,641
2011	92,728
2012	157,468
2013	–
Thereafter	20,922
Total principal payments on long-term debt	369,578

Minimum capital lease payments are as follows:	Principal	Interest	Payment
	$	$	$
2009	7,098	1,023	8,121
2010	6,702	609	7,311
2011	4,699	290	4,989
2012	2,302	103	2,405
2013	712	15	727
Total minimum capital lease payments	21,513	2,040	23,553

Note 11 > Capital Stock

Authorized, an unlimited number without par value:

First preferred shares, carrying one vote per share, ranking prior to second preferred shares, Class A subordinate shares and Class B shares with respect to the payment of dividends;

Second preferred shares, non-voting, ranking prior to Class A subordinate shares and Class B shares with respect to the payment of dividends;

Class A subordinate shares, carrying one vote per share, participating equally with Class B shares with respect to the payment of dividends and convertible into Class B shares under certain conditions in the event of certain takeover bids on Class B shares;

Class B shares, carrying ten votes per share, participating equally with Class A subordinate shares with respect to the payment of dividends, convertible at any time at the option of the holder into Class A subordinate shares.

For 2008, 2007 and 2006, the Class A subordinate and the Class B shares varied as follows:

	Class A subordinate shares		Class B shares		Total	
	Number	Carrying value	Number	Carrying value	Number	Carrying Value
		$		$		$
Balance, September 30, 2005	397,448,329	1,718,105	33,772,168	44,868	431,220,497	1,762,973
Repurchased and cancelled[1]	(108,315,500)	(466,994)	–	–	(108,315,500)	(466,994)
Repurchased and not cancelled[1]	–	(4,028)	–	–	–	(4,028)
Issued upon exercise of options[2]	1,220,820	11,818	–	–	1,220,820	11,818
Issued upon exercise of warrants[3]	7,021,096	60,260	546,131	3,577	7,567,227	63,837
Converted upon exercise of warrants[3]	110,140	721	(110,140)	(721)	–	–
Balance, September 30, 2006	297,484,885	1,319,882	34,208,159	47,724	331,693,044	1,367,606
Repurchased and cancelled[1]	(12,484,000)	(52,203)	–	–	(12,484,000)	(52,203)
Repurchased and not cancelled[1]	–	(3,461)	–	–	–	(3,461)
Issued upon exercise of options[2]	5,544,830	57,087	–	–	5,544,830	57,087
Balance, September 30, 2007	290,545,715	1,321,305	34,208,159	47,724	324,753,874	1,369,029
Repurchased and cancelled[1]	(20,488,168)	(90,748)	–	–	(20,488,168)	(90,748)
Repurchased and not cancelled[1]	–	(847)	–	–	–	(847)
Issued upon exercise of options[2]	4,107,823	42,238	–	–	4,107,823	42,238
Balance, September 30, 2008	**274,165,370**	**1,271,948**	**34,208,159**	**47,724**	**308,373,529**	**1,319,672**

1 On February 5, 2008, the Company's Board of Directors authorized the renewal of a Normal Course Issuer Bid to purchase up to 10% of the public float of the Company's Class A subordinate shares during the next year. The Toronto Stock Exchange ("TSX") subsequently approved the Company's request for approval. The Issuer Bid enables the Company to purchase up to 28,502,941 Class A subordinate shares for cancellation on the open market through the TSX. The Class A subordinate shares were available for purchase under the Issuer Bid commencing February 7, 2008, until no later than February 6, 2009, or on such earlier date when the Company completes its purchases or elects to terminate the bid. Under a similar program in 2007, 29,091,303 Class A subordinate shares could have been repurchased between February 5, 2007, and February 4, 2008. During 2008, the Company repurchased 19,910,068 Class A subordinate shares (12,339,400 in 2007 and 8,374,400 in 2006) for cash consideration of $213,485,000 ($126,420,000 in 2007 and $59,631,000 in 2006). The excess of the purchase price over the carrying value of Class A subordinate shares repurchased, in the amount of $121,890,000 ($70,756,000 in 2007 and $22,364,000 in 2006), was charged to retained earnings. As at September 30, 2008, 182,400 of the repurchased Class A subordinate shares (760,500 in 2007 and 905,100 in 2006) with a carrying value of $847,000 ($3,461,000 in 2007 and $4,028,000 in 2006) and a purchase value of $1,817,000 ($8,538,000 in 2007 and $6,661,000 in 2006) were held by the Company and had been cancelled subsequent to the year-end. Subsequent to September 30, 2008, the cancelled shares were paid (subsequent to September 30, 2007, $4,540,000 of the cancelled shares was paid and subsequent to September 30, 2006, all cancelled shares were paid).On January 12, 2006, the Company concluded a transaction whereby the Company repurchased from BCE for cancellation 100,000,000 of its Class A subordinate shares at a price of $8.5923 per share for consideration of $859,230,000. The excess of the purchase price over the carrying value of Class A subordinate shares repurchased, in the amount of $425,475,000, as well as share repurchase costs in the amount of $6,760,000, were charged to retained earnings.

2 The carrying value of Class A subordinate shares includes $10,223,000 ($13,904,000 in 2007 and $3,421,000 in 2006), which corresponds to a reduction in contributed surplus representing the value of accumulated compensation cost associated with the options exercised since inception and the value of exercised options assumed in connection with acquisitions.

3 On March 22, 2006, a warrant was exercised by one holder to purchase 4,000,000 Class A subordinate shares of the Company at a price of $6.55 each for an aggregate amount of $26,200,000. The carrying value of these Class A subordinate shares includes $14,271,000, which was previously recorded under the Warrants caption and which represented the cost associated with the warrants. On April 6, 2006, warrants were exercised by another holder resulting in the issuance of 3,021,096 Class A subordinate shares and 110,140 Class B shares of the Company at a price of $6.55 each for an aggregate amount of $20,510,000. At the same time, this holder converted the 110,140 Class B shares to 110,140 Class A subordinate shares at a price of $6.55 each for an aggregate amount of $721,000. In addition, on April 28, 2006, the Company's Class B shareholders exercised their warrants totalling 435,991 Class B shares at a price of $6.55 each for an aggregate amount of $2,856,000.

Note 12 > Stock Options, Contributed Surplus and Warrants

A) STOCK OPTIONS

Under the Company's stock option plan, the Board of Directors may grant, at its discretion, 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 TSX on the day preceding the date of the grant. Options generally vest one to three years from the date of grant conditionally upon the achievement of objectives and must be exercised within a ten-year period, except in the event of retirement, termination of employment or death. As at September 30, 2008, 46,239,306 Class A subordinate shares have been reserved for issuance under the Stock option plan.

The following table presents information concerning all outstanding stock options granted by the Company for the years ended September 30:

	2008		2007		2006
	Number of options	**Weighted average exercise price per share**	Number of options	Weighted average exercise price per share	Number of options	Weighted average exercise price per share
		$		$		$
Outstanding, beginning of year	**24,499,886**	**8.52**	29,956,711	8.57	26,538,654	8.79
Granted	**7,798,388**	**11.39**	3,960,405	7.74	8,738,601	8.06
Exercised	**(4,107,823)**	**7.79**	(5,544,830)	7.79	(1,220,820)	6.87
Forfeited	**(1,094,052)**	**10.65**	(3,872,400)	8.92	(4,099,724)	9.27
Expired	**(338,661)**	**12.20**	–	–	–	–
Outstanding, end of year	**26,757,738**	**9.34**	24,499,886	8.52	29,956,711	8.57
Exercisable, end of year	**19,398,753**	**8.56**	18,507,376	8.90	21,588,443	8.80

The following table summarizes information about outstanding stock options granted by the Company as at September 30, 2008:

	Options outstanding			**Options exercisable**	
Range of exercise price	**Number of options**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
			$		**$**
2.12 to 3.99	**37,559**	**2.22**	**2.12**	**37,559**	**2.12**
5.20 to 6.98	**3,429,944**	**5.86**	**6.46**	**3,429,944**	**6.46**
7.00 to 7.96	**5,532,333**	**6.49**	**7.74**	**5,532,333**	**7.74**
8.00 to 8.99	**7,722,629**	**5.16**	**8.63**	**7,689,094**	**8.63**
9.05 to 10.90	**1,285,714**	**2.75**	**9.85**	**1,285,714**	**9.85**
11.34 to 14.85	**7,813,798**	**8.52**	**11.53**	**488,348**	**13.70**
15.01 to 19.58	**920,121**	**1.06**	**16.23**	**920,121**	**16.23**
24.51 to 26.03	**15,640**	**1.32**	**25.97**	**15,640**	**25.97**
	26,757,738	**6.25**	**9.34**	**19,398,753**	**8.56**

The following table presents the weighted average assumptions used to determine the stock-based compensation expense recorded in cost of services, selling and administrative expenses using the Black-Scholes option pricing model for the years ended September 30:

	2008	2007	2006
Compensation expense ($)	**5,131**	13,933	12,895
Dividend yield (%)	**0.00**	0.00	0.00
Expected volatility (%)	**23.70**	29.48	36.13
Risk-free interest rate (%)	**4.09**	3.90	3.97
Expected life (years)	**5.00**	5.00	5.00
Weighted average grant date fair value ($)	**3.37**	2.60	3.13

Note 12 > Stock Options, Contributed Surplus and Warrants (continued)

B) CONTRIBUTED SURPLUS

The following table summarizes the contributed surplus activity since September 30, 2005:

	$
Balance, September 30, 2005	67,578
Compensation cost of exercised options assumed in connection with acquisitions	(152)
Compensation cost associated with exercised options	(3,269)
Fair value of options granted	12,895
Carrying value of warrants expired[1]	5,384
Balance, September 30, 2006	82,436
Compensation cost associated with exercised options	(13,904)
Fair value of options granted	13,933
Balance, September 30, 2007	82,465
Compensation cost associated with exercised options	(10,223)
Fair value of options granted	5,131
Balance, September 30, 2008	**77,373**

1 On June 13, 2006, 1,118,210 warrants of one of the holders expired, resulting in a transfer of their carrying value of $5,384,000 from the warrants to the contributed surplus caption.

Note 13 > Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share from continuing operations for the years ended September 30:

	2008			2007			2006		
	Earnings from continuing operations	**Weighted average number of shares outstanding[1]**	**Earnings per share from continuing operations**	Earnings from continuing operations	Weighted average number of shares outstanding[1]	Earnings per share from continuing operations	Earnings from continuing operations	Weighted average number of shares outstanding[1]	Earnings per share from continuing operations
	$		**$**	$		**$**	**$**		**$**
	297,898	317,604,899	0.94	234,659	329,016,756	0.71	143,770	362,783,618	0.39
Dilutive options[2]		5,199,388			4,859,808			1,224,463	
Dilutive warrants[2]		–			–			698,575	
	297,898	322,804,287	0.92	234,659	333,876,564	0.70	143,770	364,706,656	0.39

1 The 19,910,068 Class A subordinate shares repurchased during the year (12,339,400 in 2007 and 108,374,400 in 2006) were excluded from the calculation of earnings per share as of the date of repurchase.

2 The calculation of the dilutive effects excludes all anti-dilutive options and warrants that would not be exercised because their exercise price is higher than the average market value of a Class A subordinate share of the Company for each of the periods shown in the table. The number of excluded options was 8,764,136, 3,162,074 and 18,255,009 for the years ended September 30, 2008, 2007 and 2006, respectively. The number of excluded warrants was nil for the years ended September 30, 2008, 2007 and 2006.

Note 14 > Amortization

	2008	2007	2006
	$	$	$
Amortization of capital assets	**43,455**	32,396	33,983
Amortization of contract costs related to transition costs	**18,457**	19,476	14,914
Amortization of finite-life intangibles (Note 7)	**102,032**	123,157	119,484
	163,944	175,029	168,381
Amortization of contract costs related to incentives (presented as reduction of revenue)	**21,682**	21,946	26,602
Amortization of other long-term assets (presented in costs of services, selling and administrative and interest on long-term debt)	**1,266**	1,360	2,392
	186,892	198,335	197,375

Note 15 > Accumulated Other Comprehensive Loss

	Balance, as at October 1, 2007	Net changes incurred during the year	Balance, as at September 30, 2008
	$	$	$
Net unrealized losses on translating financial statements of self-sustaining foreign operations	(440,262)	67,561	(372,701)
Net unrealized gains on translating long-term debt designated as a hedge of net investment in self-sustaining foreign operations	54,547	(538)	54,009
Net unrealized losses on cash flow hedges	-	(1,200)	(1,200)
Income tax expense on other comprehensive items	(358)	(1,174)	(1,532)
	(386,073)	64,649	(321,424)

	Balance, as at October 1, 2006	Net changes incurred during the year	Balance, as at September 30, 2007
	$	$	$
Net unrealized losses on translating financial statements of self-sustaining foreign operations	(321,477)	(118,785)	(440,262)
Net unrealized gains on translating long-term debt designated as a hedge of net investment in self-sustaining foreign operations	31,699	22,848	54,547
Income tax expense on other comprehensive items	555	(913)	(358)
	(289,223)	(96,850)	(386,073)

	Balance, as at October 1, 2005	Net changes incurred during the year	Balance, as at September 30, 2006
	$	$	$
Net unrealized losses on translating financial statements of self-sustaining foreign operations	(273,620)	(47,857)	(321,477)
Net unrealized gains on translating long-term debt designated as a hedge of net investment in self-sustaining foreign operations	22,905	8,794	31,699
Income tax recovery on other comprehensive items	(68)	623	555
	(250,783)	(38,440)	(289,223)

Note 16 > Restructuring Costs Related to Specific Items

On March 29, 2006, the Company announced a restructuring plan impacting members located primarily in Montréal and Toronto, of which a significant portion was related to lower than expected BCE work volumes. Approximately 1,150 positions were eliminated. The program ended December 31, 2006. Under the terms of the contract agreement signed on January 12, 2006, between BCE and the Company, BCE agreed to share in severance costs applicable to head count reductions in excess of 100 positions, up to a maximum of $10,000,000.

Total restructuring costs related to specific items to be incurred was $90,276,000, of which $61,986,000 (net of the BCE contribution of $10,000,000) was for severance and $28,290,000 for the consolidation and closure of facilities. The amount of $90,276,000 was split by segments as follows: $64,212,000 for Canada, $6,815,000 for U.S. & India, $6,478,000 for Europe & Asia Pacific and $12,771,000 for Corporate. Restructuring costs of $23,010,000 and $67,266,000 were incurred in 2007 and 2006, respectively.

Note 16 > Restructuring Costs Related to Specific Items (CONTINUED)

The following table shows the components of the restructuring provision, included in accrued compensation, in accounts payable and accrued liabilities as well as in other long-term liabilities:

	Severance	Consolidation and closure of facilities	Total
	$	$	$
Balance, September 30, 2006	8,602	5,445	14,047
New restructuring costs related to specific items	11,015	12,474	23,489
Foreign currency translation adjustment	27	154	181
Paid during 2007	(18,455)	(8,684)	(27,139)
Balance, September 30, 2007[1]	1,189	9,389	10,578
Adjustments to initial provision	(241)	(1,407)	(1,648)
Foreign currency translation adjustment	(2)	19	17
Paid during 2008	(599)	(3,201)	(3,800)
Balance, as at September 30, 2008[1]	**347**	**4,800**	**5,147**

1 Of the total balance remaining, $347,000 ($1,189,000 in 2007) is included in accrued compensation, $1,811,000 ($3,987,000 in 2007) is included in accounts payable and accrued liabilities and $2,989,000 ($5,402,000 in 2007) is included in other long-term liabilities.

Note 17 > Income Taxes

The income tax provision is as follows:

	2008	2007	2006
	$	$	$
Current	**128,972**	105,138	103,464
Future	**(22,839)**	10,054	(34,225)
	106,133	115,192	69,239

The Company's effective income tax rate on income from continuing operations differs from the combined Federal and Provincial Canadian statutory tax rate as follows:

	2008	2007	2006
	%	%	%
Company's statutory tax rate	**31.2**	32.0	31.7
Effect of provincial and foreign tax rate differences	**2.7**	2.9	2.5
Benefit arising from investment in subsidiaries	**(3.3)**	(3.2)	(4.0)
Final determination from agreements with tax authorities and expirations of statutes of limitations	**(3.7)**	–	–
Non-deductible stock options	**0.1**	0.8	1.9
Other non-deductible items	**0.9**	1.0	1.0
Impact of corporate tax holiday	**(0.2)**	(1.1)	–
Impact on future tax assets and liabilities resulting from tax rate changes	**(1.7)**	0.4	(0.9)
Valuation allowance relating to tax benefits on losses	**0.2**	0.1	–
Other	**–**	–	0.4
Effective income tax rate	**26.2**	32.9	32.6

Future income tax assets and liabilities are as follows at September 30:

	2008	2007
	$	$
Future income tax assets:		
Accrued integration charges and accounts payable and accrued liabilities	**10,191**	12,155
Tax benefits on losses carried forward	**41,579**	56,019
Capital assets, contract costs and finite-life intangibles and other long-term assets	**10,915**	4,394
Accrued compensation	**26,077**	24,731
Allowance for doubtful accounts	**2,733**	2,533
Financing and share issue costs	**173**	137
Other	**2,718**	1,446
	94,386	101,415
Valuation allowance	**(25,473)**	(21,166)
	68,8913	80,249
Future income tax liabilities:		
Capital assets, contract costs and finite-life intangibles and other long-term assets	**178,928**	210,666
Work in progress	**12,964**	19,145
Goodwill	**21,576**	17,149
Refundable tax credits on salaries	**20,434**	19,572
Other	**3,448**	3,153
	237,350	269,685
Future income taxes, net	**(168,437)**	(189,436)

Future income taxes are classified as follows:	**2008**	2007
	$	$
Current future income tax assets	**34,031**	30,434
Long-term future income tax assets	**7,747**	4,673
Current future income tax liabilities	**(25,529)**	(21,825)
Long-term future income tax liabilities	**(184,686)**	(202,718)
Future income tax, net	**(168,437)**	(189,436)

At September 30, 2008, the Company had $105,334,000 in non-capital losses carried forward, of which $93,418,000 expire at various dates up to 2024 and $11,916,000 have no expiry date. In addition, the Company had capital loss carry forwards of $35,009,000 having no expiry dates.The Company recognized a future tax asset of $41,579,000 on the losses carried forward and recognized a valuation allowance of $25,473,000. The net future income tax asset of $16,106,000 is the amount that is more likely than not to be realized. Should this valuation allowance be reversed, goodwill would be reduced by approximately $18,209,000 and income tax expense would be reduced by approximately $7,264,000.

Foreign earnings of certain of the Company's subsidiaries would be taxed only upon their repatriation to Canada. The Company has not recognized a future income tax liability for these retained earnings as management does not expect them to be repatriated. A future income tax liability will be recognized when the Company expects that it will recover those undistributed earnings in a taxable matter, such as the sale of the investment or through the receipt of dividends. On remittance, certain countries impose withholding taxes that, subject to certain limitations, are then available for use as tax credits against a federal or provincial income tax liability, if any.

Note 18 > Costs of Services, Selling and Administrative

Tax credits and foreign exchange loss netted against costs of services, selling and administrative expenses are as follows:

	2008	20077	2006
	$	$	$
Costs of services, selling and administrative	**3,193,030**	3,137,524	2,979,996
Tax credits (Note 4)	**(82,510)**	(87,242)	(62,903)
Foreign exchange loss	**1,445**	3,457	1,914
	3,111,965	3,053,739	2,919,007

Note 19 > Investments in Subsidiaries and Joint Ventures

For all business acquisitions, the Company began recording the results of operations of the acquired entities as of their respective effective acquisition dates.

2008 TRANSACTIONS

a) Acquisition

There were no acquisitions during fiscal 2008.

b) Disposal

On July 19, 2008, the Company disposed its Canadian claims adjusting and risk management services business for purchase consideration of $38,050,000. This business was included in the former BPS segment in prior years. The Company received $31,671,000 in August 2008. Of the remaining balance, $879,000 will be paid within the next fiscal year and $5,500,000 will be paid on or before August 5, 2014, bearing interest of 10% payable annually (Note 7). The net assets disposed of included goodwill of $7,732,000, which is net of an impairment of $4,051,000. The transaction resulted in a loss of $965,000.

c) Balance of Integration Charges

American Management Systems, Incorporated ("AMS") was acquired in fiscal 2004. For AMS, the components of the integration charges related to business acquisitions included in accounts payable and accrued liabilities and other long-term liabilities are as follows:

	Consolidation and closure of facilities	**Severance**	**Total**
	$	$	$
Balance, October 1, 2007	15,226	1,395	16,621
Adjustments to initial provision[1]	(4,962)	-	(4,962)
Foreign currency translation adjustment	686	84	770
Paid during 2008	(3,676)	(95)	(3,771)
Balance, September 30, 2008[2]	**7,274**	**1,384**	**8,658**

[1] Have been recorded as a decrease of goodwill.

[2] Of the total balance remaining, $4,310,000 is included in accounts payable and accrued liabilities and $4,348,000 is included in other long-term liabilities.

d) Modifications to Purchase Price Allocations

The Company modified the purchase price allocation and made adjustments relating to certain business acquisitions resulting in a net decrease of accrued integration charges, current portion of long-term debt, long-term debt, future income tax assets and accrued restructuring charges of $5,801,000, $3,287,000, $2,685,000, $2,145,000 and $320,000, respectively, and a net increase of cash and non-controlling interest of $43,000 and $75,000, respectively, whereas goodwill decreased by $9,916,000.

e) Consideration of Purchase Price

During fiscal 2008, the Company paid balances of purchase price relating to certain business acquisitions resulting in a net decrease of long-term debt by $3,954,000.

2007 TRANSACTIONS

a) Acquisition

The Company made the following acquisition:

– Codesic Consulting ("Codesic") – On May 3, 2007, the Company acquired all of the outstanding shares of an IT services firm in Seattle, Washington. Recognized for its depth of business and IT knowledge, Codesic assists its clients by managing strategic initiatives, integrating technology with business, and supporting critical computing environments.

The acquisition was accounted for using the purchase method. The purchase price allocation shown below was preliminary and based on the Company's management's best estimates. Of the aggregate cash consideration of $24,034,000, $15,055,000 was paid. The amount of the remaining payment is contingent on a formula set out in the agreement which will vary based on the performance of Codesic over the next two years. The Company has subsequently completed its purchase price allocations and these modifications are presented in Note 19 d) of 2008 Transactions.

	Codesic
	$
Non-cash working capital items	**1,303**
Capital assets	**146**
Client relationships and other	**6,023**
Goodwill[1]	**16,094**
Future income taxes	**355**
	23,921
Cash acquired	**113**
Net assets acquired	**24,034**
Consideration	
Cash	**14,778**
Contingent payment	**8,979**
Acquisition costs	**277**
	24,034

[1] Goodwill is deductible for tax purposes.

In connection with the acquisition completed in 2007, the Company has adopted certain plans to restructure and integrate the acquired business. Consequently, the Company established provisions related to the planned termination of certain employees of the acquired business performing functions already available through its existing structure, in the amount of $332,000.

b) Modification to Joint Venture

On April 19, 2007, the Company modified its agreement between shareholders of Conseillers en informatique d'affaires ("CIA"), a provider of IT services primarily in the government and financial sectors. As a result of the modification, the Company is in a position to exercise unilateral control over CIA. Accordingly, the Company began using the consolidation method to account for its investment of 60.69%. Prior to April 19, 2007, the investment qualified as a joint venture and the Company used the proportionate consolidation method to account for it. Under the agreement, the Company has committed to purchase the remaining 39.31% of shares of CIA by October 1, 2011. Subsequent to April 19, 2007, the Company increased its investment of shares of CIA to 64.66%. The modification of the consolidation method and the increase in the ownership percentage resulted in a net increase of net assets of $215,000 and a net decrease of cash of the same amount. As a result of the modification, the value of goodwill relating to CIA is $3,526,000. The Company noted its commitment to purchase the remaining interest in Note 26 a).

c) Balance of Integration Charges
COGNICASE Inc. ("Cognicase") was acquired in fiscal 2003. For AMS and Cognicase, the components of the integration charges related to business acquisitions included in accounts payable and accrued liabilities and other long-term liabilities are as follows:

	Consolidation and closure of facilities	Severance	Total
	$	$	$
Balance, October 1, 2006	35,010	2,287	37,297
Adjustments to initial provision[1]	(3,860)	(754)	(4,614)
Foreign currency translation adjustment	(1,517)	(17)	(1,534)
Paid during 2007	(9,577)	(121)	(9,698)
Balance, September 30, 2007[2]	20,056	1,395	21,451

1 Have been recorded as a decrease of goodwill.
2 Of the total balance remaining, $6,247,000 is included in accounts payable and accrued liabilities and $15,204,000 is included in other long-term liabilities. The majority of the remaining Cognicase balance was paid in fiscal 2008.

d) Modifications to Purchase Price Allocations
The Company modified the purchase price allocations and made adjustments relating to certain business acquisitions resulting in a net decrease of future income tax assets, accrued integration charges, cash and non-cash working capital items of $3,021,000, $8,045,000, $130,000 and $118,000, respectively, and a net increase of client relationships of $191,000, whereas goodwill decreased by $4,967,000.

e) Consideration of Purchase Price
During fiscal 2007, the Company paid balances of purchase price relating to certain business acquisitions resulting in a net decrease of long-term debt by $2,011,000.

2006 TRANSACTIONS

a) Acquisitions
The Company made the following acquisitions:

- Pangaea Systems Inc. ("Pangaea") – On March 1, 2006, the Company acquired all of the outstanding shares of an information technology services company based in Alberta, Canada. Pangaea specializes in development of internet-based solutions and related services mostly in the public sector, as well as in the energy and financial services sectors.

- ERS Informatique Inc. ("ERS") – On April 7, 2006, one of the Company's joint ventures acquired all outstanding shares of an information technology services company based in Québec, Canada. ERS specializes in software development of applications mostly in the public sector.

- Plaut Consulting SAS ("Plaut") – On June 1, 2006, the Company acquired all of the outstanding shares of a France-based management and technology consulting firm. Recognized for its expertise in implementing SAP solutions, Plaut guides its worldwide clients through organizational and information systems transformation projects.

The acquisitions were accounted for using the purchase method. The purchase price allocations shown below were preliminary and based on the Company's management's best estimates. The Company has subsequently completed its purchase price allocations and these modifications are presented in Note 19 d) of 2007 Transactions and 2008 Transactions.

	Plaut	Other	Total
	$	$	$
Non-cash working capital items	(580)	(2,298)	(2,878)
Capital assets	28	656	684
Client relationships and other	5,565	358	5,923
Goodwill[1]	11,328	6,742	18,070
Assumption of long-term debt	–	(80)	(80)
Future income taxes	1,698	738	2,436
	18,039	6,116	24,155
Assumption of bank indebtedness	(300)	(49)	(349)
Net assets acquired	17,739	6,067	23,806
Consideration			
Cash	16,052	5,161	21,213
Holdback payable	1,242	516	1,758
Acquisition costs	445	390	835
	17,739	6,067	23,806

[1] Goodwill is not deductible for tax purposes.

In connection with the acquisitions completed in 2006, the Company has adopted certain plans to restructure and integrate the acquired businesses. Consequently, the Company established provisions related to leases for premises occupied by the acquired businesses, which the Company plans to vacate, in the amount of $936,000, as well as costs related to the planned termination of certain employees of the acquired businesses performing functions already available through its existing structure, in the amount of $1,518,000.

b) Disposals

On December 31, 2005, the Company disposed of its electronic switching assets to Everlink Payment Services Inc. for cash consideration of $27,559,000. The net assets disposed of included goodwill of $13,172,000 and the transaction resulted in a gain of $10,475,000.

c) Balance of Integration Charges

For AMS and Cognicase, the components of the integration charges related to business acquisitions included in accounts payable and accrued liabilities and other long-term liabilities are as follows:

	Consolidation and closure of facilities	**Severance**	**Total**
	$	$	$
Balance, October 1, 2005	57,118	5,194	62,312
Adjustments to initial provision[1]	(10,188)	(1,688)	(11,876)
Foreign currency translation adjustment	(998)	152	(846)
Paid during 2006	(10,922)	(1,371)	(12,293)
Balance, September 30, 2006[2]	35,010	2,287	37,297

[1] Have been recorded as a decrease of goodwill.
[2] Of the total balance remaining, $8,212,000 is included in accounts payable and accrued liabilities and $29,085,000 is included in other long-term liabilities.

d) Modifications to Purchase Price Allocations

The Company modified the purchase price allocations and made adjustments relating to certain business acquisitions resulting in a net decrease of future income tax assets, accrued integration charges and cash of $4,477,000, $8,661,000 and $1,087,000, respectively, and a net increase of client relationships, long-term debt and non-cash working capital items of $325,000, $463,000 and $3,533,000, respectively, whereas goodwill decreased by $6,492,000.

e) Consideration of Purchase Price

During fiscal 2006, the Company paid balances of purchase price relating to certain business acquisitions resulting in a net decrease of long-term debt by $2,136,000.

Note 20 > Discontinued Operations

In fiscal 2008, the Company classified its Canadian claims adjusting and risk management services and actuarial services businesses as discontinued operations. The Canadian claims adjusting and risk management services were divested in July 2008 (Note 19 b).

The following table presents summarized financial information related to discontinued operations:

	2008	2007	2006
	$	$	$
Revenue	**64,851**	77,621	84,241
Operating expenses [1]	**(68,747)**	(72,157)	(77,359)
Amortization	**(1,624)**	(2,619)	(2,385)
(Loss) earnings before income taxes	**(5,520)**	2,845	4,497
Income tax (recovery) expense [2]	**(386)**	1,102	1,734
(Loss) earnings from discontinued operations	**(5,134)**	1,743	2,763

[1] Operating expenses from discontinued operations includes an impairment of goodwill of $4,051,000 and a loss on disposition of $965,000.
[2] Income taxes do not bear a normal relation to (loss) earnings before income taxes since the sale includes goodwill of $7,732,000 which has no tax basis.

The related assets and liabilities of discontinued operations are as follows:

	2008	2007
	$	$
Current assets		
Accounts receivable	**1,304**	12,938
Work in progress	**–**	14,638
Prepaid expenses and other current assets	**–**	95
Income tax receivable	**39**	343
Capital assets	**55**	3,947
Finite-life intangibles and other long-term assets	**–**	9,887
Goodwill	**–**	11,783
Total assets held for sale	**1,398**	53,631
Current liabilities		
Accounts payable and accrued liabilities	**295**	5,707
Accrued compensation	**41**	1,192
Deferred revenue	**321**	2,457
Income taxes	**–**	160
Future income taxes	**–**	2,579
Total liabilities held for sale	**657**	12,095

The related cash flow information of discontinued operations is as follows:

	2008	2007	2006
	$	$	$
Cash (used in) provided by operating activities	**(818)**	5,930	6,355
Cash used in investing activities	**(250)**	(2,302)	(123)
Total cash (used in) provided by discontinued operations	**(1,068)**	3,628	6,232

Note 21 > Joint Ventures: Supplementary Information

The Company's proportionate share of its joint venture investees' operations included in the consolidated financial statements is as follows:

	2008	2007
Balance sheets	**$**	$
Current assets	**36,543**	40,303
Non-current assets	**3,294**	6,517
Current liabilities	**15,040**	16,879
Non-current liabilities	**1,119**	726

	2008	2007	2006
	$	$	$
Statements of earnings			
Revenue	**87,887**	94,111	90,122
Expenses	**77,749**	80,015	82,191
Net earnings	**10,138**	14,096	7,931

	2008	2007	2006
	$	$	$
Statements of cash flows			
Cash provided by (used in):			
Operating activities	**4,879**	16,327	1,578
Investing activities	**(412)**	(2,669)	(13,955)
Financing activities	**(13,720)**	(11,956)	1,430

Note 22 > Supplementary Cash Flow Information

a) Net change in non-cash working capital items is as follows for the years ended September 30:

	2008	2007	2006
	$	$	$
Accounts receivable	**(13,164)**	(8,441)	7,855
Work in progress	**(43,785)**	(5,049)	12,125
Prepaid expenses and other current assets	**(12,692)**	6,063	(11,439)
Accounts payable and accrued liabilities	**5,762**	(21,449)	(30,586)
Accrued compensation	**(5,327)**	24,220	1,124
Deferred revenue	**(13,323)**	39,020	(14,521)
Income taxes	**(31,357)**	49,886	26,864
	(113,886)	84,250	(8,578)

b) Non-cash operating, investing and financing activities related to continuing operations are as follows for the years ended September 30:

	2008	2007	2006
	$	$	$
Operating activities			
Accounts receivable	**408**	(438)	**–**
Prepaid expenses and other current assets	**–**	**–**	(3,006)
Accounts payable and accrued liabilities	**(2,723)**	(4,540)	(6,661)
	(2,315)	(4,978)	(9,667)
Investing activities			
Purchase of capital assets	**(17,559)**	(9,609)	**–**
(Purchase) disposition of finite-life intangibles	**(13,185)**	**–**	3,006
	(30,744)	(9,609)	3,006
Financing activities			
Increase in obligations under capital leases	**30,744**	9,609	–
Issuance of shares	**(408)**	438	–
Repurchase of Class A subordinate shares	**2,723**	4,540	6,661
	33,059	14,587	6,661

c) Interest paid and income taxes paid are as follows for the years ended September 30:

	2008	2007	2006
	$	$	$
Interest paid	**26,847**	37,925	40,255
Income taxes paid	**139,803**	37,763	61,365

Note 23 > Segmented Information

The Company is managed through three operating segments, in addition to Corporate services, namely: Canada, U.S. & India and Europe & Asia Pacific (Note 8). The segments are based on a delivery view and the results incorporate domestic activities as well as impacts from our delivery model utilizing our centers of excellence.

The following presents information on the Company's operations based on its management structure. The Company has restated the corresponding items of segmented information for earlier periods to conform to the new segmented information structure.

					2008
	Canada	**U.S. & India**	**Europe & Asia Pacific**	**Corporate**	**Total**
	$	**$**	**$**	**$**	**$**
Revenue	**2,335,566**	**1,086,513**	**283,784**	**–**	**3,705,863**
Net earnings before interest on long-term debt, other income, interest and other expenses, non-controlling interest, net of income taxes, loss from discontinued operations, net of income taxes and income taxes[1]	**332,295**	**129,401**	**24,692**	**(56,434)**	**429,954**
Total assets	**2,203,320**	**1,115,899**	**197,026**	**167,728**	**3,683,973**

[1] Amortization included in Canada, U.S. & India, Europe & Asia Pacific and Corporate is $111,180,000, $54,358,000, $5,069,000 and $15,019,000, respectively, for the year ended September 30, 2008.

					2007
	Canada	U.S. & India	Europe & Asia Pacific	Corporate	Total
	$	$	$	$	$
Revenue	2,251,326	1,115,449	267,170	–	3,633,945
Net earnings before interest on long-term debt, other income, interest and other expenses, gain on sale of assets, restructuring costs related to specific items, non-controlling interest, net of income taxes, earnings from discontinued operations, net of income taxes and income taxes[1]	321,390	123,512	23,152	(62,877)	405,177
Total assets	2,009,611	1,080,260	195,328	190,609	3,475,808

[1] Amortization included in Canada, U.S. & India, Europe & Asia Pacific and Corporate is $124,970,000, $54,548,000, $5,123,000 and $12,334,000, respectively, for the year ended September 30, 2007.

					2006
	Canada	U.S. & India	Europe & Asia Pacific	Corporate	Total
	$	$	$	$	$
Revenue	2,104,647	1,064,795	223,940	–	3,393,382
Net earnings before interest on long-term debt, other income, interest and other expenses, gain on sale of assets, restructuring costs related to specific items, earnings from discontinued operations, net of income taxes and income taxes[1]	243,352	112,436	29,121	(78,915)	305,994

[1] Amortization included in Canada, U.S. & India, Europe & Asia Pacific and Corporate is $128,293,000, $47,936,000, $6,164,000 and $12,590,000, respectively, for the year ended September 30, 2006.

Note 23 > Segmented Information (CONTINUED)

The following table provides information for capital assets based on the operating segments:

	2008	2007
	$	$
Capital assets		
Canada	**104,049**	89,606
U.S. & India	**40,147**	22,341
Europe & Asia Pacific	**2,309**	1,434
Corporate	**31,930**	29,024
	178,435	142,405

The accounting policies of each segment are the same as those described in the summary of significant accounting policies (Note 2). The figures are presented net of intersegment sales and transfers, which are priced as if the sales or transfers were to third parties.

GEOGRAPHIC INFORMATION
The following table provides certain geographic market information based on the client's location:

	2008	2007	2006
	$	$	$
Revenue			
Canada	**2,252,727**	2,130,122	2,015,823
United States	**1,152,586**	1,224,407	1,143,551
Europe & Asia Pacific	**300,550**	279,416	234,008
	3,705,863	3,633,945	3,393,382

INFORMATION ABOUT SERVICES
The following table provides information based on services provided by the Company:

	2008	2007	2006
	$	$	$
Revenue			
Outsourcing			
IT Services	**1,523,562**	1,565,943	1,530,653
BPS	**485,454**	400,989	361,371
Systems integration and consulting	**1,696,847**	1,667,013	1,501,358
	3,705,863	3,633,945	3,393,382

Note 24 > Related Party Transactions

In the normal course of business, the Company is party to contracts with Innovapost, a joint venture, pursuant to which the Company is its preferred IT supplier. The Company exercises joint control over Innovapost's operating, financing and investing activities through its 49% ownership interest.

Transactions and resulting balances, which were measured at commercial rates (exchange amount), are presented below.

Revenue was $124,461,000, $120,010,000 and $100,994,000 for the years ending September 30, 2008, 2007 and 2006, respectively.

	2008	2007
	$	$
Accounts receivable	**12,050**	9,310
Work in progress	**5,939**	3,648
Contract costs	**11,206**	13,746
Deferred revenue	**2,715**	1,868

Note 25 > Employee Future Benefits

Generally, the Company does not offer pension plan or post-retirement benefits to its employees with the exception of the following:

- The Company has defined contribution pension plans mainly covering certain European employees. For the years ended September 30, 2008, 2007 and 2006, the plan expense was $5,303,000, $4,717,000 and $4,076,000, respectively.

- The Company maintains a 401(k) defined contribution plan covering substantially all U.S. employees. Since January 1, 2008, the Company matches employees' contributions to a maximum of US$2,500 per year. Prior to that date, the maximum was US$1,000 per year. For the years ended September 30, 2008, 2007 and 2006, the amounts of the Company's contributions were $5,069,000, $4,520,000 and $4,697,000, respectively.

- The Company maintains two non-qualified deferred compensation plans covering some of its U.S. management. One of these plans is an unfunded plan and the non-qualified deferred compensation liability totalled $4,066,000 as at September 30, 2008 ($4,596,000 at September 30, 2007). The other plan is a funded plan for which a trust was established so that the plan assets could be segregated; however, the assets are subject to the Company's general creditors in the case of bankruptcy. The assets, included in finite-life intangibles and other long-term assets, composed of investments, vary with employees' contributions and changes in the value of the investments. The change in liability associated with the plan is equal to the change of the assets. As at September 30, 2008 and 2007, the assets in the trust and the associated liabilities totalled $11,657,000 and $12,206,000, respectively.

- The Company maintains a post-employment benefits plan to cover certain former retired employees associated with the divested Canadian claims adjusting and risk management services. The post-employment benefits liability totalled $7,368,000 as at September 30, 2008 ($5,591,000 as at September 30, 2007).

Note 26 > Commitments, Contingencies and Guarantees

A) COMMITMENTS

At September 30, 2008, the Company is committed under the terms of operating leases with various expiration dates up to 2030, primarily for the rental of premises and computer equipment used in outsourcing contracts, in the aggregate amount of approximately $891,942,000. Minimum lease payments due in the next five years and thereafter are as follows:

	$
2009	155,596
2010	123,762
2011	93,972
2012	76,343
2013	63,983
Thereafter	378,286

The Company entered into long-term service agreements representing a total commitment of $205,382,000. Minimum payments under these agreements due in each of the next five years and thereafter are as follows:

	$
2009	73,462
2010	76,981
2011	32,169
2012	15,380
2013	4,220
Thereafter	3,170

As of April 19, 2007, the Company is committed under the agreement between shareholders of CIA to purchase the remaining 39.31% of shares of CIA by October 1, 2011 (Note 19 b) of 2007 Transactions). As at September 30, 2008 and 2007, 35.34% of shares of CIA remain to be purchased. The purchase price of the remaining shares will be calculated by a formula as defined in the shareholders' agreement.

B) CONTINGENCIES

From time to time, the Company is involved in legal proceedings, audits, claims and litigation arising in the ordinary course of its business. Certain of these matters seek damages in significant amounts. Although the outcome of such matters is not predictable with assurance, the Company has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Company's financial position, results of operations or the ability to carry on any of its business activities. As at September 30, 2008, the Company is involved in claims of approximately $140,000,000 and counterclaims exceeding $160,000,000.

In addition, the Company is engaged to provide services under contracts with the U.S. Government. The contracts are subject to extensive legal and regulatory requirements and, from time to time, agencies of the U.S. Government investigate whether the Company's operations are being conducted in accordance with these requirements. Generally, the Government has the right to change the scope of, or terminate, these projects at its convenience. The termination, or reduction in the scope, of a major government project could have a materially adverse effect on the results of operations and financial condition of the Company.

C) GUARANTEES

Sale of assets and Business Divestitures

In connection with the sale of assets and business divestitures, the Company may be required to pay counterparties for costs and losses incurred as the result of breaches in representations and warranties, intellectual property right infringement and litigation against counterparties. While some of the agreements specify a maximum potential exposure of approximately $67,500,000 in total, others do not specify a maximum amount or limited period. It is impossible to reasonably estimate the maximum amount that may have to be paid under such guarantees. The amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. No amount has been accrued in the consolidated balance sheets relating to this type of indemnification as at September 30, 2008. The Company does not expect to incur any potential payment in connection with these guarantees that could have a materially adverse effect on its consolidated financial statements.

Other Transactions

In the normal course of business, the Company may provide certain clients, principally governmental entities, with bid and performance bonds. In general, the Company would only be liable for the amount of the bid bonds if the Company refuses to perform the project once the bid is awarded. The Company would also be liable for the performance bonds in the event of default in the performance of its obligations. As at September 30, 2008, the Company provided for a total of $137,052,000 of these bonds. To the best of its knowledge the Company is in compliance with its performance obligations under all service contracts for which there is a performance or bid bond, and the ultimate liability, if any, incurred in connection with these guarantees would not have a materially adverse effect on the Company's consolidated results of operations or financial condition.

In addition, the Company provides a guarantee of $5,900,000 of the residual value of a leased property, accounted for as an operating lease, at the expiration of the lease term. The Company also entered into agreements for a total of $3,875,000 that include indemnities in favour of third parties, mostly tax indemnities.

Note 27 > Financial Instruments

The Company periodically uses various financial instruments to manage its exposure to foreign currency risk, but does not hold or issue such financial instruments for trading purposes.

FAIR VALUE

All financial assets classified as held-to-maturity or loans and receivables, as well as financial liabilities classified as other liabilities, are initially measured at their fair values and subsequently at their amortized cost using the effective interest rate method. All financial assets and liabilities classified as held for trading are measured at their fair values. Gains and losses related to periodic revaluations are recorded in net earnings.

The Company has made the following classifications:

- Cash and cash equivalents and deferred compensation assets and obligations (Note 25) are classified as held for trading as this reflects management's intentions.
- Accounts receivable, work in progress, balance of sale receivable (Note 7) and funds held for clients are classified as loans and receivables.
- Accounts payable and accrued liabilities, accrued compensation, accrued integration charges (Note 9), long-term debt (Note 10), asset retirement obligations (Note 5), revolving credit facility (Note 10) and clients' funds obligations are classified as other liabilities.

Transaction costs are comprised primarily of legal, accounting and other costs directly attributable to the issuance of the respective financial assets and liabilities. Transaction costs are capitalized to the cost of financial assets and liabilities classified as other than held for trading.

At September 30, 2008 and 2007, the estimated fair values of cash and cash equivalents, deferred compensation assets and obligations, accounts receivable, work in progress, balance of sale receivable, funds held for clients, accounts payable and accrued liabilities, accrued compensation, accrued integration charges, asset retirement obligations, revolving credit facility and clients' funds obligations approximate their respective carrying values.

The estimated fair value of long-term debt, with the exception of Senior U.S. unsecured notes, is not significantly different from its respective carrying value at September 30, 2008 and 2007.

The fair value of Senior U.S. unsecured notes, estimated by discounting expected cash flows at rates currently offered to the Company for debts of the same remaining maturities and conditions, is $201,618,000 ($185,462,000 in 2007). The fair value of the forward contracts entered into to hedge the cash repayments of Senior U.S. unsecured notes is $8,758,000 (nil in 2007) (Note 7).

MARKET RISK (INTEREST RATE RISK AND CURRENCY RISK)
Market risk incorporates a range of risks. Movements in risk factors, such as interest rate risk and currency risk, affect the fair values of financial assets and liabilities.

Interest rate risk
The Company is exposed to interest rate risk on a portion of its long-term debt (Note 10) and does not currently hold any financial instruments that mitigate this risk. A fluctuation of interest rates of 50 basis points will not have a significant impact given the current level of borrowings. Therefore, a sensitivity analysis of the impact of interest rate fluctuations on net earnings and comprehensive income has not been provided.

Currency risk
The Company operates internationally and is exposed to risk from changes in foreign currency rates. The Company mitigates this risk principally through foreign debt and forward contracts. The Company enters, from time to time, into foreign exchange forward contracts to hedge forecasted cash flows or contractual cash flows in currencies other than the functional currency of its subsidiaries (Note 2). Hedging relationships are designated and documented at inception and quarterly effectiveness assessments are performed during the year.

The Company is mainly exposed to fluctuations in the U.S. dollar and the euro. As at September 30, 2008, the portion of the cash and cash equivalents, accounts receivable, work in progress, accounts payable and accrued liabilities and accrued compensation denominated in U.S. dollars amount to US$83,987,000, US$ 133,930,000, US$117,697,000, US$59,643,000 and US$43,185,000, respectively. Additionally, as at September 30, 2008, the portion of the same items denominated in euros amount to €17,987,000, €17,145,000, €5,591,000, €13,121,000 and €5,127,000, respectively.

The following table details the Company's sensitivity to a 10% strengthening of the U.S. dollar and the euro on net earnings and comprehensive income against the Canadian dollar. The sensitivity analysis includes foreign currency denominated monetary items and adjusts their translation at period end for a 10% strengthening in foreign currency rates. For a 10% weakening of the U.S. dollar and the euro against the Canadian dollar, there would be an equal and opposite impact on net earnings and comprehensive income.

	2008	
	U.S. dollar impact	Euro impact
Increase in net earnings	9,761	906
Increase in comprehensive income	108,649	8,324

LIQUIDITY RATE RISK
Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost. The Company's growth is financed through a combination of the cash flows from operations, borrowing under existing credit facilities, the issuance of debt and the issuance of equity. One of management's primary goals is to maintain an optimal level of liquidity through the active management of the assets and liabilities as well as the cash flows.

As at September 30, 2008, the Company has accounts payable and accrued liabilities and accrued compensation of $339,765,000 and $127,151,000, respectively, due within 12 months. The contractual maturity of long-term debt and the revolving credit facility is presented in Note 10, commitments in Note 26 and asset retirement obligations in Note 5. Employee future benefits are discussed in Note 25, however the nature of employee future benefit obligations does not allow for a detailed aging. The maturity dates of accrued integration charges range between two to nine years.

As at September 30, 2008, the Company is holding cash and cash equivalents of $50,134,000. The Company also has available $1,325,665,000 in unsecured revolving credit facilities and $25,000,000 in demand lines of credit (Note 10). Given the Company's available liquid resources as compared to the timing of the payments of liabilities, management assesses the Company's liquidity risk to be low.

Note 27 > Financial instruments (CONTINUED)

CREDIT RISK
The Company takes on exposure to credit risk, which is the risk that a client will be unable to pay amounts in full when due. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash equivalents, work in progress and accounts receivable.

Cash equivalents consist mainly of highly liquid investments, such as money market deposits (Note 3). None of the cash equivalents are in asset backed commercial paper products. The Company has deposited the cash equivalents with reputable financial institutions, from which management believes the risk of loss to be remote.

Management does not believe that they are subject to any significant credit risk in view of the Company's large and diversified client base. For the year ended September 30, 2008 the Company generated 12.2% of its revenue from the subsidiaries and affiliates of BCE. However, the Company has accounts receivable and work in progress derived from clients engaged in various industries including governmental agencies, finance, telecommunications, manufacturing and utilities that are not concentrated in any specific geographic area. These specific industries may be affected by economic factors that may impact accounts receivable.

On average, the Company will generally have 15% to 20% of accounts receivable that are due beyond normal terms, but are not impaired. The Company determines past due trade receivables with reference to the historical payment terms, type of client and the vertical in which the client operates. The carrying amount of accounts receivable are reduced by an allowance account and the amount of the loss is recognized in the consolidated statement of earnings within costs of services, selling and administrative. When a receivable balance is considered uncollectible, it is written off against the allowance for doubtful accounts. Subsequent recoveries of amounts previously written off are credited against costs of services, selling and administrative in the consolidated statement of earnings. However, management does not believe that these allowances are significant.

Overall, management does not believe that any single industry or geographic region represents a significant credit risk to the Company.

Note 28 > Capital Risk Management

The Company is exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to these risks. The principal financial risks to which the Company is exposed are described below.

The Company manages its capital to ensure that there are adequate capital resources while maximizing the return to shareholders through the optimization of the debt and equity balance. At September 30, 2008, total managed capital was $2,440,567,000. Managed capital consists of long-term debt, including the current portion (Note 10), cash and cash equivalents (Note 3) and shareholders' equity. The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in the business environment. When capital needs have been specified, the Company's management proposes capital transactions for the approval of the Company's Audit and Risk Management Committee and Board of Directors. The capital risk policy remains unchanged from prior periods.

The Company monitors its capital by reviewing various financial metrics, including the following:

- Debt/Capitalization
- Net Debt/Capitalization
- Debt/EBITDA

Debt represents long-term debt, including the current portion. Net debt, capitalization and EBITDA are non-GAAP measures. Net debt represents debt (including the impact of the fair value of forward contracts) less cash and cash equivalents. Capitalization is shareholders' equity plus debt. EBITDA is calculated as earnings from continuing operations before income taxes, interest expense on long-term debt and depreciation and amortization. The Company believes that the results of the current internal ratios are consistent with its capital management objectives.

The Company is subject to external covenants on its credit facilities and its Senior U.S. unsecured notes. On the credit facilities, the ratios are as follows:

- A leverage ratio, which is the ratio of total debt to EBITDA for the four most recent quarters.
- An interest and rent coverage ratio, which is the ratio of the EBITDAR for the four most recent quarters to the total interest expense and the operating rentals in the same periods. EBITDAR, a non-GAAP measure, is calculated as EBITDA plus rent expense.
- A minimum net worth requirement, whereby shareholders' equity, excluding foreign exchange translation adjustments included in accumulated other comprehensive loss, cannot be less than a specified threshold.

The ratios for the credit facilities are calculated on a consolidated basis, excluding Innovapost, which is a joint venture.

On the Senior U.S. unsecured notes, the ratios are as follows:

- A leverage ratio, which is the ratio of total debt adjusted for operating rent to EBITDAR for the four most recent quarters.
- A fixed charges coverage ratio, which is the ratio of the EBITDAR to the sum of interest expense plus operating rentals for the period for the four most recent quarters.
- A minimum net worth requirement, whereby shareholders' equity, excluding foreign exchange translation adjustments included in accumulated other comprehensive loss, cannot be less than a specified threshold.

The ratios for the Senior U.S. unsecured notes are calculated based on specific subsidiaries of the Company that represent a significant portion of the Company's consolidated operations.

The Company is in compliance with these covenants and monitors them on an ongoing basis. The ratios are also reviewed quarterly by the Company's Audit and Risk Management Committee. The Company is not subject to any other externally imposed capital requirements.

Note 29 > Reconciliation of Results Reported in Accordance with Canadian GAAP to U.S. GAAP

The material differences between Canadian and U.S. GAAP affecting the Company's consolidated financial statements are detailed as follows:

	2008	2007	2006
	$	$	$
Reconciliation of net earnings:			
Net earnings – Canadian GAAP	**292,764**	236,402	146,533
Adjustments for:			
Stock-based compensation (i)	**(4,127)**	–	–
Warrants (ii)	**(5,721)**	1,404	1,405
Reversal of income tax provision (iii)	**(7,452)**	–	–
Other	**584**	1,441	1,238
Net earnings – U.S. GAAP	**276,048**	239,247	149,176
Basic EPS – U.S. GAAP	**0.87**	0.73	0.41
Diluted EPS – U.S. GAAP	**0.86**	0.72	0.41
Net earnings – U.S. GAAP	**276,048**	239,247	149,176
Other comprehensive income (loss)	**64,649**	(96,850)	(38,440)
Comprehensive income – U.S. GAAP	**340,697**	142,397	110,736
Reconciliation of shareholders' equity:			
Shareholders' equity – Canadian GAAP	**1,999,342**	1,818,268	1,748,020
Adjustments for:			
Stock-based compensation (x)	**58,411**	58,411	58,411
Warrants (ii)	**(9,392)**	(3,671)	(5,075)
Reversal of income tax provision (iii)	**(7,452)**	–	–
Unearned compensation (iv)	**(3,694)**	(3,694)	(3,694)
Integration costs (v)	**(6,606)**	(6,606)	(6,606)
Goodwill (vi)	**28,078**	28,078	28,078
Income taxes and adjustment for change in accounting policy (vii)	**9,715**	9,715	9,715
Other	**(6,200)**	(6,784)	(8,225)
Shareholders' equity – U.S. GAAP	**2,062,202**	1,893,717	1,820,624

(i) Stock-based compensation
During fiscal 2008, the Company issued stock options with a three-year graded vesting period and a performance criteria. Under Canadian GAAP, the compensation cost for this type of option has been accounted for on a straight-line basis because the entire award of graded vesting options has a similar expected life. Under U.S. GAAP, the graded vesting method must be used. The adjustment represents the compensation cost difference between using the straight-line and graded vesting method. This adjustment does not have an impact on shareholders' equity.

(ii) Warrants
Under Canadian GAAP, the fair value of warrants issued in connection with long-term outsourcing contracts is recorded as contract costs and amortized on a straight-line basis over the initial contract term. Under U.S. GAAP, the fair value of equity instruments issued was subtracted from the initial proceeds received in determining revenue. The 2008, 2007 and 2006 adjustments reflect the reversal of contract cost amortization, net of income taxes, which is included as a reduction to Canadian GAAP consolidated net earnings.

The 2008 adjustment also includes final determinations from agreements with tax authorities and expirations of statutes of limitations of prior year tax liabilities associated with the issuance of warrants that resulted in the reversal of $7,125,000 in tax liabilities during fiscal 2008. The reversal of this recovery was included as a reduction to Canadian GAAP consolidated earnings.

(iii) Reversal of income tax provision
During fiscal 2008, the Company reversed a one-time income tax provision pertaining to the determination of prior year tax liabilities after final agreement with tax authorities and the expirations of statutes of limitations relating to the AMS acquisition. The reversal of this provision was included as a reduction to Canadian GAAP consolidated earnings. Under U.S. GAAP, the adjustment should have been applied to the goodwill attributable to the acquisition.

(iv) Unearned compensation
Under Canadian GAAP, prior to July 1, 2001, unvested stock options granted as a result of a business combination were not recorded. The adjustment reflects the intrinsic value of unvested stock options (see (vi) below) that would have been recorded as a separate component of shareholders' equity for U.S. GAAP purposes. This unearned compensation was amortized over approximately three years, being the estimated remaining future vesting service period.

(v) Integration costs
Under Canadian GAAP, prior to January 1, 2001, certain restructuring costs relating to the purchaser may be recognized in the purchase price allocation when accounting for business combinations, subject to certain conditions. Under U.S. GAAP, only costs relating directly to the acquired business may be considered in the purchase price allocation. This adjustment represents the charge to consolidated net earnings, net of goodwill amortization in 2001, recorded for Canadian GAAP purposes and net of income taxes.

(vi) Goodwill
The goodwill adjustment to shareholders' equity results principally from the difference in the value assigned to stock options issued to IMRglobal Corp. employees. Under Canadian GAAP, the fair value of the outstanding vested stock options is recorded as part of the purchase price allocation whereas under U.S. GAAP, the fair value of both vested and unvested outstanding stock options granted as a result of the business acquisition is recorded. See (iv) above for a further discussion relating to this item.

(vii) Income taxes and adjustment for change in accounting policy
On October 1, 1999, the Company adopted the recommendations of CICA Handbook Section 3465, "Income taxes". The recommendations of Section 3465 are similar to the provisions of SFAS No. 109, "Accounting for Income Taxes", issued by the Financial Accounting Standards Board ("FASB"). Upon the implementation of Section 3465, the Company recorded an adjustment to reflect the difference between the assigned value and the tax basis of assets acquired in a business combination, which resulted in future income tax liabilities. The Company recorded this amount through a reduction of retained earnings as part of the cumulative adjustment. Under U.S. GAAP, this amount would have been reflected as additional goodwill.

(viii) Proportionate consolidation
The proportionate consolidation method is used to account for interests in joint ventures. Under U.S. GAAP, entities in which the Company owns a majority of the share capital would be fully consolidated, and those which are less than majority-owned, but over which the Company exercises significant influence, would be accounted for using the equity method. This would result in reclassifications in the consolidated balance sheets and statements of earnings as at September 30, 2008 and 2007, and for each of the years in the three-year period ended September 30, 2008. However, the differences in the case of majority-owned joint ventures were not considered material and have consequently not been presented (see Note 21). In accordance with practices prescribed by the U.S. Securities and Exchange Commission, the Company has elected, for the purpose of this reconciliation, to account for interests in joint ventures using the proportionate consolidation method.

(ix) Share issue costs
As permitted under Canadian GAAP, the Company's share issue costs are charged to retained earnings. For U.S. GAAP purposes, share issue costs are recorded as a reduction of the proceeds raised from the issuance of capital stock.

(x) Stock-based compensation
Under Canadian GAAP, stock-based compensation cost was accounted for using the fair value based method beginning October 1, 2004. Under U.S. GAAP, the Statement of Financial Accounting Standard ("SFAS") No. 123 (revised 2004), "Share-Based Payment", did not require adoption of this standard until fiscal years beginning on or after June 15, 2005. The 2005 adjustments represent the charge to consolidated net earnings recorded for Canadian GAAP purposes as no such expense was recorded or required under U.S. GAAP. Beginning October 1, 2005, there is no difference between Canadian and U.S. GAAP in connection to stock-based compensation cost.

(xi) Recent and future accounting changes
The FASB issued FASB Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes", effective for fiscal years beginning October 1, 2007. FIN 48 describes the accounting for income taxes by prescribing the minimum recognition threshold a tax position must meet before being recognized in the financial statements. The interpretation also provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. The adoption of this new section did not have a significant impact on the consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations"("SFAS 141R"), effective for the Company's business combinations occurring after October 1, 2009. SFAS 141R establishes principles and requirements for how the acquirer in a business combination (i) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree, (ii) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase, and (iii) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The Company is currently evaluating the impact of the adoption of this new section on the consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, "Non-controlling Interests in Consolidated Financial Statements—an amendment of Accounting Research Bulletin No. 51" ("SFAS 160"), effective October 1, 2009. SFAS 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the non-controlling interest, changes in a parent's ownership interest, and the valuation of retained non-controlling equity investments when a subsidiary is deconsolidated. SFAS 160 also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. The Company is currently evaluating the impact of the adoption of this new section on the consolidated financial statements.

November 10, 2008

Basis of Presentation

Throughout this document, CGI Group Inc. is referred to as "CGI", "we", "our" or "Company". This Management's Discussion and Analysis of Financial Position and Results of Operations ("MD&A") should be read in conjunction with the audited consolidated financial statements and the notes thereto for the years ended September 30, 2008, 2007 and 2006. CGI's accounting policies are in accordance with Canadian generally accepted accounting principles ("GAAP") of the Canadian Institute of Chartered Accountants ("CICA"). These differ in some respects from generally accepted accounting principles in the United States ("US GAAP"). Our reconciliation of results reported in accordance with GAAP to US GAAP can be found in Note 29 of the consolidated financial statements. All dollar amounts are in Canadian dollars unless otherwise indicated.

Forward-Looking Statements

All statements in this MD&A that do not directly and exclusively relate to historical facts constitute "forward-looking statements" within the meaning of that term in Section 27A of the United States Securities Act of 1933, as amended, and Section 21E of the United States Securities Exchange Act of 1934, as amended, and are "forward-looking information" within the meaning of section 138.3 and following of the Ontario Securities Act. These statements and this information represent CGI's intentions, plans, expectations and beliefs, and are subject to risks, uncertainties and other factors, of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements or forward-looking information. These factors include but are not restricted to: the timing and size of new contracts; acquisitions and other corporate developments; the ability to attract and retain qualified members; market competition in the rapidly evolving IT industry; general economic and business conditions; foreign exchange and other risks identified in the MD&A, in CGI's Annual Report, on Form 40-F filed with the U.S. Securities and Exchange Commission (filed on EDGAR at www.sec.gov), the Company's Annual Information Form filed with the Canadian securities authorities (filed on SEDAR at www.sedar.com), as well as assumptions regarding the foregoing. The words "believe," "estimate," "expect," "intend," "anticipate," "foresee," "plan," and similar expressions and variations thereof, identify certain such forward-looking statements or forward-looking information, which speak only as of the date on which they are made. In particular, statements relating to future performance are forward-looking statements and forward-looking information. CGI disclaims any intention or obligation to publicly update or revise any forward-looking statements or forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Readers are cautioned not to place undue reliance on these forward-looking statements or on this forward-looking information. You will find more information about the risks that could cause our actual results to significantly differ from our current expectations in the Risks and Uncertainties section.

Non-GAAP Measures

The Company reports its financial results in accordance with GAAP. However, in this MD&A, certain non-GAAP financial measures are used, which include:

1. Earnings from continuing operations before restructuring costs related to specific items, interest on long-term debt, other income, interest and other expenses, gain on sale of assets, income taxes, and non-controlling interest ("adjusted EBIT"); and
2. Earnings from continuing operations prior to restructuring costs related to specific items.

Adjusted EBIT is used by our management as a measure of our operating performance as it provides information that can be used to evaluate the effectiveness of our business from an operational perspective. A reconciliation of this item to its closest GAAP measure can be found on page 12.

Earnings from continuing operations prior to restructuring costs related to specific items is used by our management as a measure of our operating performance excluding restructuring activities. A reconciliation of this item to its closest GAAP measure can be found on page 14.

Management believes that these non-GAAP measures provide useful information to investors regarding the Company's financial condition and results of operations as they provide additional measures of its performance. They also provide investors with measures of performance to compare our results between periods without regard to specified items. These non-GAAP measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. They should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with GAAP.

Corporate Overview
Headquartered in Montreal, Canada, CGI provides end-to-end information technology services (commonly referred to as IT services) and business process services ("BPS") to clients worldwide, utilizing a highly customized, cost efficient delivery model. The Company's delivery model provides for work to be carried out onsite at client premises, or through one of its centers of excellence located in North America, Europe and India. We also have a number of leading business solutions that support long-term client relationships. Our services are generally broken down as:

- **Consulting** – CGI provides a full range of IT and management consulting services, including business transformation, IT strategic planning, business process engineering and systems architecture.

- **Systems integration** – CGI integrates and customizes leading technologies and software applications to create IT systems that respond to clients' strategic needs.

- **Management of IT and business functions ("outsourcing")** – Clients delegate entire or partial responsibility for their IT or business functions to CGI to achieve significant savings and access the best technology, while retaining control over strategic IT and business functions. As part of such agreements, we implement our quality processes and best-of-breed practices to improve the efficiency of the clients' operations. We also integrate clients' operations into our technology network. Finally, we may transfer specialized professionals from our clients, enabling them to focus on mission critical operations. Services provided as part of an outsourcing contract may include development and integration of new projects and applications; applications maintenance and support; technology management (enterprise and end-user computing and network services); transaction and business processing, as well as other services such as payroll and document management services. Outsourcing contracts typically have terms from five to ten years and are renewable.

CGI offers its end-to-end services to a focused set of industry verticals ("verticals" or "vertical markets") where we have developed deep expertise. This allows us to fully understand our clients' business realities and to have the knowledge and solutions needed to advance their business goals. Our targeted verticals include: a) financial services - includes banking, credit unions, wealth management and insurance as disciplines helping clients increase competitiveness by evolving complex environments and systems to support more integrated and client-focused operations; b) government and healthcare-assisting organizations in managing incremental change and undertaking large-scale, citizen-centric transformation; c) telecommunications and utilities - helping providers deliver new revenue streams while improving productivity and client service; d) retail and distribution - helping clients establish flexible and client centered operating models that build profitability and enhance loyalty; and e) manufacturing - transforming clients' operations and supply chains for enhanced profitability and global competitiveness.

Our operations are managed through three operating segments ("reporting segments" or "segments"), in addition to Corporate services, namely: Canada, U.S. and India, and Europe and Asia Pacific. The segments are based on a delivery view and the results incorporate domestic activities as well as impacts from our delivery model utilizing our centers of excellence.

We take great pride in delivering services of the highest quality to our clients. To do so consistently, we have implemented and maintain a quality program under The International Organization for Standardization ("ISO"). We firmly believe that by designing and implementing rigorous service delivery quality standards, followed by continuous monitoring of conformity with those standards, we are best able to satisfy our clients' needs. As a measure of the scope of our ISO program, approximately 98% of our revenue was generated by business units having successfully obtained certification.

Competitive Environment
As a global provider of end-to-end information technology and business process services, CGI operates in a highly competitive and rapidly evolving global industry. Our competition comprises a variety of global players, from niche companies providing specialized services to other end-to-end service providers, mainly in the U.S., Europe and India, all of whom are competing for some or all of the services we provide.

To compete effectively, CGI focuses on high-end systems integration, consulting and outsourcing where vertical industry knowledge and expertise are required. Our client proximity metro markets business model, combined with our global delivery model results in highly responsive and cost competitive delivery. CGI's global delivery model provides clients with a unique blend of onshore, nearshore and offshore delivery options that cater to their strategic and cost requirements. CGI also has a number of leading business solutions that support long-term client relationships. Moreover, all of CGI's business operations are executed based on the same management foundation, ensuring consistency and cohesion across the company.

There are many factors involved in winning and retaining IT and BPS contracts in today's global market, including the following: total cost of services; ability to deliver; track record; vertical market expertise; investment in business solutions; local presence; global delivery capability; and the strength of client relationships. CGI compares favorably with its competition with respect to all of these factors.

In summary, CGI's competitive value proposition encompasses the following: end-to-end IT and BPS capability; expertise and proprietary business solutions in five vertical markets covering approximately 81% of global IT spending; a unique global delivery model, which includes industry leading nearshore delivery capabilities; a disciplined management foundation; and our focus on client satisfaction which is supported by our client proximity metro markets business model. Based on this value proposition and CGI's growing critical mass in our three main markets — Canada, the U.S. and Europe and Asia Pacific, collectively covering approximately 76% of global IT spending — we are in a position to compete effectively on an international scale and win large contracts.

Vision and Strategy

Most companies begin with a business vision, but CGI began with a dream: *to create an environment in which members enjoy working together and, as owners, contribute to building a company they can be proud of*. That dream led to CGI's vision of being a world-class IT and BPS leader, helping its clients win and grow. Through a four-pillar growth strategy that combines organic growth and acquisitions, CGI has been a consolidator in the IT services industry.

The first pillar of this strategy focuses on generating organic growth through contract wins, renewals and extensions in the areas of outsourcing and systems integration and consulting ("SI&C").

The second pillar of the strategy involves the pursuit of new large outsourcing contracts, leveraging our end-to-end services, global delivery model and critical mass. CGI's global delivery model offers a unique blend of onshore, nearshore and offshore delivery options that result in highly responsive and cost effective delivery. Further, based on the Company's growth rate over the last several years, we have the critical mass required to bid on large and complex opportunities in North America and Europe.

The third pillar of our growth strategy focuses on the acquisition of smaller firms or niche players. We identify niche acquisitions through a strategic mapping program that systematically searches for targets that will strengthen our vertical market knowledge or increase the richness of our service offerings.

The fourth pillar involves the pursuit of transformational acquisitions focused on expanding our geographic presence and critical mass. This approach further enables us to strengthen our qualifications to compete for large outsourcing contracts.

Throughout its history, CGI has been highly disciplined in following this four-pillar growth strategy, with an emphasis on earnings accretion and maximizing shareholder value. Currently, our key growth market targets are the U.S. and Europe.

Developments in 2008

CGI continued delivering strong financial performance throughout fiscal 2008. Steady organic and profitable growth as well as leading margins characterized our operational performance. The Company has booked 30% more new business in fiscal 2008 compared with the previous year and the more significant bookings have been outlined below. As part of its build and buy strategy, the Company's strategic expansion plans call for its growth targets to be evenly split between acquisition and organic growth. Using our disciplined investment criteria, the Company reviewed several acquisition opportunities in fiscal 2008, but ultimately chose not to proceed because of timing, alignment or price.

Instead, cash was re-invested in organic growth, reducing debt and buying back shares as part of the Normal Course Issuer Bid. During the year, we repaid $106.2 million of our credit facility net of drawings, and repurchased 19.9 million shares for $213.5 million. Entering 2009, CGI believes it is extremely well-positioned to capitalize on market opportunities as they present themselves.

Bookings

The Company booked new business that exceeded its revenue, resulting in a book-to-bill of 112% for the year. Book-to-bill is stated as a proportion of total bookings to revenue for the period. New business booked in the year was across all verticals and geographies. Our three largest verticals for bookings were government and healthcare, financial services, and telecommunications and utilities, making up approximately 40%, 35% and 13% of total bookings, respectively. From a geographical perspective, Canada made up 51% of total bookings, followed by the U.S. and Europe and Asia Pacific at 41% and 8%, respectively.

All geographies showed year-over-year improvements highlighted by Canada with 47% followed by Europe and Asia Pacif ic and U.S. with improvements of 26% and 15%, respectively.

Significant Bookings in the Year

- October 3, 2007: 10-year US$110 million managed services contract with Océ North America to deliver infrastructure services, including end-user computing, service desk, enterprise operations and data center hosting.

- November 14, 2007: Three-year $91.8 million contract with Public Works and Government Services Canada ("PWGSC") for the provision of engineering and technical management services to their Information Technology Services Branch. The agreement also entitles PWGSC to four one-year extensions, with a total potential contract value of $400 million.

- February 4, 2008: Two-year contract valued at approximately US$27 million with the U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services ("CMS") to implement CMS' Provider Enrollment Chain and Ownership System One-Stop-Shop release.

- April 2, 2008: Consulting contracts awarded by Revenu Québec valued at more than $40 million for the improvement of the government's existing personal income tax system and the development of a new system.

- April 10, 2008: 10-year project valued at US$83 million with the U.S. Environmental Protection Agency to modernize its financial system using CGI's commercial Momentum software, and to transition its financial system IT hosting and application management to CGI.

- May 1, 2008: Five-year contract with Daimler Financial Services to provide a full end-to-end applications management service for international Vehicle Asset Financing.

- May 7, 2008: 10-year US$115 million contract with Magnolia Insurance Company to provide back-office services including complete policy administration, billing and accounting, claims administration, statistical reporting, and statutory accounting services.
- May 28, 2008: Three-year US$29.6 million contract with the Oregon Department of Human Services to design, develop and implement its next generation Statewide Automated Child Welfare Information System.

- June 19, 2008: Seven-year agreements valued at US$80 million with Autralia and New Zealand Banking Group Limited and Bank of Montreal Financial Group to extend their use of CGI's Proponix global trade platform.

- September 15, 2008: Five-year agreement with the Ontario Education Collaborative Marketplace valued at $40 million to build and manage the electronic marketplace.

- October 8, 2008: Seven-year contract extension with Co-operators General Insurance Company valued at approximately $110 million, whereby CGI will continue to provide data center services. This contract renewal was signed prior to and announced subsequent to our year end.

CGI measures bookings as a key indicator of our future revenue. However, due to the timing and transition period associated with outsourcing contracts, the realization of revenue related to these bookings may fluctuate from quarter to quarter.

Divestiture
As announced on July 21, 2008, the Company divested its Canadian claims adjusting and risk management services business for purchase consideration of $38.1 million. The Company received net cash proceeds of $29.2 million in August 2008. Of the remaining $6.4 million, $5.5 million is to be paid on or before August 5, 2014. The net assets disposed of included goodwill of $7.7 million, which is net of an impairment of $4.1 million. For more information on this transaction, please see Note 19 of our consolidated financial statements.

Prior to this transaction, management regularly reviewed CGI's operating results based on its two lines of business – IT services and BPS. Subsequent to this divestiture, the Company integrated BPS into its ITS line of business to drive incremental operating efficiencies. The new segments are: Canada, U.S. and India ("U.S."), and Europe and Asia Pacific ("Europe"), as mentioned previously. As a consequence of our new reporting segments, CGI conducted two tests for its 2008 goodwill impairment: before and after the change in segmentation. As a result of the tests conducted, no impairment was identified.

As a result, certain comparative figures have been restated to conform to the current year's presentation.

Share Repurchase Program
On February 5, 2008, the Company's Board of Directors authorized the renewal of a Normal Course Issuer Bid and the purchase of up to 10% of the public float of the Company's Class A subordinate shares during the period ending no later than February 6, 2009. The Company received approval from the Toronto Stock Exchange for its intention to make an Issuer Bid, which allows CGI to purchase on the open market, through the facilities of the Toronto Stock Exchange, up to 28,502,941 Class A subordinate shares for cancellation.

During fiscal 2008, the Company repurchased 19,910,068 of its Class A subordinate shares for $213.5 million at an average share price of $10.72, under the current and the previous Normal Course Issuer Bid.

Competitive Position Strengthening Program

In the first quarter of 2007, we completed our Competitive Position Strengthening Program and the objectives of the program were successfully met. A total pre-tax provision of $90.3 million was taken for the program with $67.3 million taken in fiscal 2006 and $23.0 million taken in 2007. Please refer to Note 16 to the consolidated financial statements for more information on our Competitive Position Strengthening Program.

Overview of the Year

SELECTED ANNUAL INFORMATION

Years ended September 30	**2008**	2007	2006	**Change 2008/2007**	Change 2007/2006
Backlog[1] (in millions of dollars)	**11,645**	11,696	12,403	**-0.4%**	-5.7%
Bookings (in millions of dollars)	**4,145**	3,190	3,917	**29.9%**	-18.6%
Revenue					
Revenue (in '000 of dollars)	**3,705,863**	3,633,945	3,393,382	**2.0%**	7.1%
Year-over-year growth prior to foreign currency impact	**5.3%**	7.4%	-2.6%		
Profitability					
Adjusted EBIT[2] margin	**11.6%**	11.1%	9.0%		
Net earnings (in '000 of dollars)	**292,764**	236,402	146,533	**23.8%**	61.3%
Net earnings margin	**7.9%**	6.5%	4.3%		
Net earnings prior to restructuring costs related to specific items[3] margin	**7.9%**	6.9%	5.6%		
Earnings from continuing operations (in '000 of dollars)	**297,898**	234,659	143,770	**26.9%**	63.2%
Earnings from continuing operations margin	**8.0%**	6.5%	4.2%		
Basic EPS from continuing operations (in dollars)	**0.94**	0.71	0.39	**32.4%**	82.1%
Diluted EPS from continuing operations (in dollars)	**0.92**	0.70	0.39	**31.4%**	79.5%
Basic EPS (in dollars)	**0.92**	0.72	0.40	**27.8%**	80.0%
Diluted EPS (in dollars)	**0.90**	0.71	0.40	**26.8%**	77.5%
Balance sheet (in '000 of dollars)					
Total assets	**3,683,973**	3,475,808	3,692,032	**6.0%**	-5.9%
Long-term financial liabilities[4]	**326,916**	516,470	876,269	**-36.7%**	-41.1%
Total long-term liabilities before clients' funds obligations	**547,041**	737,991	1,127,811	**-25.9%**	-34.6%
Cash generation / Financial structure					
Cash provided by continuing operating activities (in '000 of dollars)	**355,910**	544,615	302,704	**-34.6%**	79.9%
Days sales outstanding[5]	**50**	42	50	**19.0%**	-16.0%
Net debt to capitalization ratio[6]	**13.9%**	16.8%	27.2%		

1 Backlog includes new contract wins, extensions and renewals, partially offset by the backlog consumed during the year as a result of client work performed and adjustments related to the volume, cancellation and/or the impact of foreign currencies to our existing contracts. Backlog incorporates estimates from management that are subject to change from time to time.

2 Adjusted EBIT is a non-GAAP measure for which we provide a reconciliation to its closest GAAP measure on page 13.

3 Net earnings prior to restructuring costs is a non-GAAP measure. A reconciliation to its closest GAAP measure is provided on page 15.

4 Long-term financial liabilities include the long-term portion of debt and capital leases, integration and restructuring costs, asset retirement obligations, deferred compensation and any forward contracts in a liability position.

5 Days sales outstanding ("DSO") is obtained by subtracting deferred revenue and tax credits receivable from accounts receivable and work in progress; the result is divided by the latest quarter's revenue over 90 days.

6 The net debt to capitalization ratio represents the proportion of long-term debt, including the impact of the fair value of forward contracts, net of cash and cash equivalents over the sum of shareholders' equity and long-term debt.

FINANCIAL REVIEW 2008, 2007 AND 2006

Revenue Variation and Revenue by Segment

The following table provides a summary of our revenue growth, in total and by segment, separately showing the impacts of foreign currency variations between 2008 and 2007. The 2007 and 2006 revenue by segment is recorded reflecting the actual foreign exchange rates of each respective year.

Years ended September 30 (in '000 of dollars except for percentage)	**2008**	2007	2006	**Change 2008/2007**	Change 2007/2006
Revenue	**3,705,863**	3,633,945	3,393,382	**2.0%**	7.1%
Variation prior to foreign currency impact	**5.3%**	7.4%	-2.6%		
Foreign currency impact	**-3.3%**	-0.3%	-3.0%		
Variation over previous year	**2.0%**	7.1%	-5.6%		
Canada revenue prior to foreign currency impact	**2,340,856**	2,251,326	2,104,647	**4.0%**	7.0%
Foreign currency impact	**(5,290)**	-	-		
Canada revenue	**2,335,566**	2,251,326	2,104,647	**3.7%**	7.0%
U.S. and India revenue prior to foreign currency impact	**1,196,390**	1,115,449	1,064,795	**7.3%**	7.2%
Foreign currency impact	**(109,877)**	-			
U.S. and India revenue	**1,086,513**	1,115,449	1,064,795	**-2.6%**	4.8%
Europe and Asia Pacific revenue prior to foreign currency impact	**287,057**	267,170	223,940	**7.4%**	13.0%
Foreign currency impact	**(3,273)**	-			
Europe and Asia Pacific revenue	**283,784**	267,170	223,940	**6.2%**	19.3%
Revenue	**3,705,863**	3,633,945	3,393,382	**2.0%**	7.1%

For fiscal 2008, revenue was $3,705.9 million, an increase over both 2007 and 2006. On a constant currency basis, revenue increased by 5.3% compared to last year. The unfavourable impact of foreign currency fluctuations amounted to $118.4 million or 3.3%, mainly due to U.S. dollar fluctuations. On a constant currency basis, the largest growth in our vertical markets was from telecommunications and utilities (13%), retail and distribution (8%) and financial services (3%).

For fiscal 2007, revenue increased by 7.4% on a constant currency basis against fiscal 2006, but was impacted by a slight decrease of 0.3% due to foreign currency fluctuations, resulting in a total revenue variation of 7.1% year-over-year. The improvement was due to strong growth in all our geographies and targeted vertical markets. Fiscal 2006 was impacted by lower volumes from BCE, the unfavourable impacts of the ramping down and completion of isolated contracts not meeting our profitability standards, and the impact of the weakening U.S. dollar.

CANADA

For the fiscal year ended September 30, 2008, revenue from our Canadian operating segment was $2,335.6 million, an increase of $84.3 million or 3.7% over 2007. On a constant currency basis, revenue grew by 4.0% or $89.5 million when compared to the prior year. The growth was driven primarily by higher revenue from our SI&C activities, mainly in our telecommunications and utilities, retail and distribution, and financial services vertical markets, slightly offset by the completion of certain isolated outsourcing contracts.

When comparing fiscal 2007 to 2006, revenue from our Canadian operating segment was $2,251.3 million, an increase of $146.7 million or 7.0% over 2006. This strong growth was mainly attributable to the increase in business activity with existing clients across all key vertical markets.

U.S. AND INDIA

For the fiscal year ended September 30, 2008, U.S revenue increased by 7.3% or $80.9 million on a constant currency basis when compared to the same period last year. The unfavourable impact of foreign currency fluctuations represented $109.9 million or 9.9%, which resulted in an overall decrease of 2.6% for this segment. We experienced growth on a constant currency basis, with the government and healthcare vertical market being the primary driver.

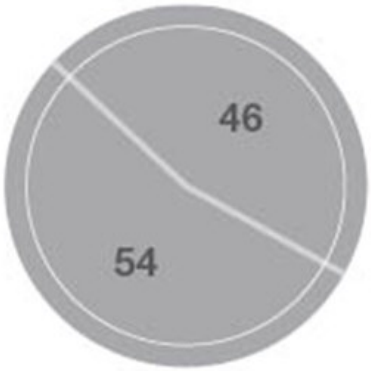
When comparing fiscal 2007 to 2006, revenue from the U.S. increased by 4.8 % or $50.7 million to $1,115.4 million including the unfavourable impact of approximately $25.7 million in foreign currency fluctuations. The growth was driven mainly by new business with existing clients in the government and financial services vertical markets.

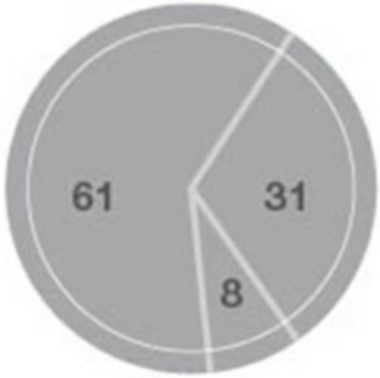
EUROPE AND ASIA PACIFIC

In fiscal 2008, revenue from our Europe operating segment was $283.8 million, an increase of $16.6 million or 6.2% against 2007. On a constant currency basis, this segment grew by $19.9 million or 7.4%, with foreign currency fluctuations having an unfavourable impact of $3.3 million or 1.2%. The net growth in Europe was mainly a result of higher SI&C work from our telecommunication clients in Central Europe. During the year, we also had incremental revenue from Daimler Financial Services representing a new outsourcing contract in the financial services vertical market.

When comparing fiscal 2007 to 2006, revenue reached $267.2 million in Europe, a growth of $43.2 million or 19.3%. Most of the growth was due to increased volumes from our existing telecommunication clients. In addition, there was a favourable impact of approximately $14.2 million due to foreign currency fluctuations.

Revenue Distribution
The following tables provide additional information regarding our revenue mix:







Contract Types		**Geographic Markets ***		**Targeted Verticals**	
Management of IT and business functions (outsourcing)	**54%**	Canada	61%	Government and healthcare	30%
		U.S.	3 1%	Financial services	30%
		Europe and Asia Pacific	8%	Telecommunications and utilities	22%
IT services	41%			Retail and distribution	11%
BPS	13%			Manufacturing	7%
Systems integration and consulting	**46%**				

* Based on the client's domicile

Client Concentration
In fiscal 2008, our revenue from BCE and its subsidiaries, our largest client, represented 12.2% of our revenue, compared to 11.8% in fiscal 2007, and 12.1% in fiscal 2006.

OPERATING EXPENSES

Years ended September 30 (in '000 of dollars except for percentage)	**2008**	2007	2006	**As a percentage of revenue 2008**	As a percentage of revenue 2007	As a percentage of revenue 2006
Costs of services, selling and administrative	**3,111,965**	3,053,739	2,919,007	**84.0%**	84.0%	86.0%
Amortization						
Capital assets	**43,455**	32,396	33,983	**1.2%**	0.9%	1.0%
Contract costs related to transition costs	**18,457**	19,476	14,914	**0.5%**	0.5%	0.4%
Finite-life intangibles	**102,032**	123,157	119,484	**2.8%**	3.4%	3.5%
Total amortization	**163,944**	175,029	168,381	**4.4%**	4.8%	5.0%

Costs of Services, Selling and Administrative
When comparing fiscal 2008 to fiscal 2007, costs of services, selling and administrative expenses as a percentage of revenue remained stable at 84.0%. Our gross margin and selling and administrative ratios remained consistent between the two years. During the year, fluctuations in foreign currencies favorably impacted our costs of services, selling and administrative by $103.3 million, significantly offsetting the impact of the currency related revenue reduction noted in the previous section. We continue to look for opportunities to increase our operating margins and leverage our cost structure.

When comparing fiscal 2007 to fiscal 2006, cost of services, selling and administrative expenses decreased as a percentage of revenue from 86.0% to 84.0%. This improvement resulted from increased gross margin through productivity improvements and a reduction in our selling and administrative costs. In the second quarter of 2006, the rapid reduction in the BCE work program adversly impacted our cost structure leading the Company to undertake the Competitive Position Strengthening Program. We successfully achieved the objectives of the program allowing the Company to improve margins through better utilization rates and decreased overhead.

Amortization
The increase in amortization expense for capital assets over fiscal 2007 is mainly due to additions of computer equipment made over the last year to support our revenue growth and improve our data center infrastructure. We are also purchasing certain types of equipment that were previously financed through operating leases. This was partially offset by a reduction in amortization expense associated with leasehold improvements.

The decrease in contract cost amortization over 2007 was mainly due to the accelerated amortization taken in the second quarter of fiscal 2007 related to the reorganization of a client, partly offset by the ramp-up and full year impact of transition cost amortization associated with new clients and contracts started during the last year.

The decrease in finite-life intangibles amortization expense over last year was mainly due to the incremental amortization in fiscal 2007 associated with a business solution for our oil and gas clients in Western Canada, certain software licenses and other intangibles, such as trademarks and client relationships, being fully amortized and the extension made to the useful life of a business solution to support the brokerage industry. This was partially offset by incremental amortization associated with investments made in business solutions mainly for our government vertical market and our internal systems.

In addition, the effect of foreign currency fluctuations, mainly against the U.S. dollar, contributed to the decrease of total amortization expense for the year in the amount of $5.7 million.

The increase in amortization expense relating to contract costs between 2007 and 2006 is mainly due to the accelerated amortization taken in the second quarter of 2007 as a result of the reorganization of a client.

When comparing 2007 to 2006, the increase in finite-life intangibles amortization expense was mainly due to the amortization associated with a business solution for our oil and gas clients in Western Canada, as described above, partly offset by lower amortization associated with certain internal software licenses and other intangibles being fully amortized in the year.

ADJUSTED EBIT BY SEGMENT

Years ended September 30 (in '000 of dollars except for percentage)	**2008**	2007	2006	**Change 2008/2007**	Change 2007/2006
Canada	**332,295**	321,390	243,352	**3.4%**	32.1%
As a percentage of Canada revenue	**14.2%**	14.3%	11.6%		
U.S. and India	**129,401**	123,512	112,436	**4.8%**	9.9%
As a percentage of U.S. and India revenue	**11.9%**	11.1%	10.6%		
Europe and Asia Pacific	**24,692**	23,152	29,121	**6.7%**	-20.5%
As a percentage of Europe and Asia Pacific revenue	**8.7%**	8.7%	13.0%		
Corporate	**(56,434)**	(62,877)	(78,915)	**-10.2%**	-20.3%
As a percentage of revenue	**-1.5%**	-1.7%	-2.3%		
Adjusted EBIT	**429,954**	405,177	305,994	**6.1%**	32.4%
Adjusted EBIT margin	**11.6%**	11.1%	9.0%		

CANADA
For the fiscal period ended September 30, 2008, adjusted EBIT for our Canadian operating segment was $332.3 million, an increase of 3.4% or $10.9 million over 2007, while as a percentage of revenue, our margin decreased slightly from 14.3% to 14.2%. Excluding the relatively higher level of termination costs in the last quarter of 2008, our adjusted EBIT margin for Canada would have improved slightly over the prior year.

When comparing fiscal 2007 to 2006, adjusted EBIT for our Canadian operating segment was $321.4 million, an increase of 32.1% or $78.0 million over 2006. As a percentage of revenue, the segment profitability increased to 14.3% from 11.6%. This favourable variation is mostly driven by the benefits achieved from our Competitive Position Strengthening Program.

U.S. AND INDIA
Adjusted EBIT for our U.S. operating segment for fiscal 2008 was $129.4 million, an increase of $5.9 million or 4.8% when compared to 2007, while as a percentage of revenue, our margin improved from 11.1% to 11.9%. This increase was primarily caused by the incremental margin on revenue growth as previously mentioned, partially offset by the timing between the start and completion of specific contracts in the financial services as well as the government and healthcare vertical markets, and to a lesser extent by the unfavourable impact of foreign currency fluctuations.

When comparing fiscal 2007 to 2006, adjusted EBIT for the U.S. increased 9.9% or $11.1 million to $123.5 million. Adjusted EBIT as a percentage of revenue also increased from 10.6% to 11.1%. The growth was primarily due to the increase in margins from existing contracts in the financial services as well as government and healthcare vertical markets.

EUROPE AND ASIA PACIFIC

Adjusted EBIT for our Europe operating segment was $24.7 million in fiscal 2008, up $1.5 million or 6.7% from fiscal 2007, while as a percentage of revenue, our margin remained stable at 8.7%. This increase was mainly due to the incremental margin earned on new contracts, as described in the revenue section.

When comparing fiscal 2007 to 2006, adjusted EBIT decreased by $6.0 million to $23.2 million. Adjusted EBIT as a percentage of revenue also decreased to 8.7% from 13.0%. This decrease is due to the margin associated with a one-time license sale in 2006 for a client in our financial services vertical.

Corporate

For fiscal 2008 corporate expenses represented 1.5% of revenue, down from the 1.7% in fiscal 2007, as we continue to look for opportunities to leverage our cos structure to improve our EBIT.

Comparing fiscal 2007 to 2006, corporate expenses decreased from 2.3% to 1.7% of revenue. This is primarily the result of the Competitive Position Strengthening Program announced in 2006 to reduce our overall cost structure.

As a result of our decentralized and highly accountable business model, we continue to evaluate services that are centrally provided and if necessary will rationalize and integrate them within the operating segments.

EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND NON-CONTROLLING INTEREST

The following table provides, for the periods indicated, a reconciliation between our adjusted EBIT and earnings from continuing operations before income taxes and non-controlling interest, which is reported in accordance with Canadian GAAP.

Years ended September 30 (in '000 of dollars except for percentage)	**2008**	2007	2006	**As a percentage of revenue 2008**	As a percentage of revenue 2007	As a percentage of revenue 2006
Adjusted EBIT	**429,954**	405,177	305,994	**11.6%**	11.1%	9.0%
Restructuring costs related to specific items	**-**	23,010	67,266	**0.0%**	0.6%	2.0%
Interest on long-term debt	**27,284**	41,818	43,291	**0.7%**	1.2%	1.3%
Other income	**(5,570)**	(9,336)	(7,588)	**-0.2%**	-0.3%	-0.2%
Interest and other expenses	**3,341**	283	491	**0.1%**	0.0%	0.0%
Gain on sale of assets	**-**	(700)	(10,475)	**0.0%**	0.0%	-0.3%
Earnings from continuing operations before income taxes and non-controlling interest	**404,899**	350,102	213,009	**10.9%**	9.6%	6.3%

Restructuring Costs Related to Specific Items

In the first quarter of 2007, we successfully completed our Competitive Position Strengthening Program. For background information on the program, please refer to page 8 of this MD&A.

Interest on Long-Term Debt
Interest expense for the last three fiscal years primarily includes interest paid on the debt used to finance the purchase of 100 million Class A subordinate shares from BCE in January 2006. The decrease in interest expense in fiscal 2008 over fiscal 2007 is a direct result of debt repayments made since that time and the reduced interest costs resulting from the amendment of our credit facility made in the fourth quarter of fiscal 2007. Please refer to Note 10 to the consolidated financial statements for additional information on our outstanding debt obligations.

Other Income
Other income includes interest and other investment income earned on cash balances held during the year, in excess of interest expenses. It also includes the favourable change in the value of certain investments related to a deferred compensation arrangement we manage as a trustee on behalf of certain U.S. employees. The change in value is totally offset in the compensation expense under costs of services, selling and administrative, thus not impacting our earnings before income taxes. The $3.8 million unfavourable variance against the prior year is mainly related to a $1.7 million favourable fluctuation in the value of the trust's assets for 2007, whereas for 2008, the Company had an unfavourable variance. In addition, $1.3 million of interest income was earned on research and development claims received in 2007. Modifications in the management of our cash pooling has also allowed us to better utilize our funds for general corporate purposes including the reduction of debt.

Interest and Other Expenses
Interest and other expenses includes the unfavourable change in the value of our trust for certain U.S. employees as described above. It also includes expenses associated with the management of our cash balances in excess of interest and other investment income earned. The unfavourable variance over 2007 is mainly due to the fluctuation in the trust as outlined above.

Gain on Sale of Assets
In fiscal 2006, we recorded a $10.5 million gain on the sale of our electronic switching assets.

Income Taxes
Income tax expense was $106.1 million for the year ended September 30, 2008, compared to $115.2 million in the prior year, representing a $9.1 million decrease year-over-year. Our effective income tax rate also decreased from 32.9% in 2007 to 26.2% in fiscal 2008 mainly as a result of two non-recurring items: the impact of $6.3 million coming from the revaluation of our tax assets and liabilities due to newly enacted tax rates in Canada; and the net reversal of prior years' income tax provisions of $20.3 million mainly pertaining to the determination of prior years' tax liabilities after reaching the final agreements with tax authorities. Without these impacts, our income tax rate would have been 32.8%. We continue to expect our effective tax rate to be in the range of 32-34% in subsequent years.

When comparing fiscal 2007 and 2006, the increase in income tax expense of $46.0 million was due to higher earnings predominatly from lower restructuring charges incurred, while the 2007 income tax rate of 32.9% is comparable to 2006.

Non-Controlling Interest
During the third quarter of fiscal 2007, we began using the consolidation method to account for our interest in CIA. Previously, this operation qualified as a joint venture and was proportionally consolidated in the financial statements. Our current ownership interest in CIA stands at 64.7%, unchanged from that held at the end of fiscal 2007.

NET EARNINGS

The following table includes a reconciliation between earnings from continuing operations prior to restructuring costs related to specific items and net earnings which is reported in accordance with Canadian GAAP:

Years ended September 30 (in '000 of dollars unless otherwise indicated)	**2008**	2007	2006	**Change 2008/2007**	Change 2007/2006
Earnings from continuing operations prior to restructuring costs related to specific items	**297,898**	249,338	188,504	**19.5%**	32.3%
Margin	**8.0%**	6.9%	5.6%		
Restructuring costs related to specific items	**-**	23,010	67,266	**-100.0%**	-65.8%
Tax impact of restructuring costs related to specific items	**-**	(8,331)	(22,532)	**-100.0%**	-63.0%
Earnings from continuing operations	**297,898**	234,659	143,770	**26.9%**	63.2%
Margin	**8.0%**	6.5%	4.2%		
(Loss) earnings from discontinued operations, net of income taxes	**(5,134)**	1,743	2,763	**-394.5%**	-36.9%
Net earnings	**292,764**	236,402	146,533	**23.8%**	61.3%
Margin	**7.9%**	6.5%	4.3%		
Weighted average number of Class A subordinate shares and Class B shares (basic)	**317,604,899**	329,016,756	362,783,618	**-3.5%**	-9.3%
Weighted average number of Class A subordinate shares and Class B shares (diluted)	**322,804,287**	333,876,564	364,706,656	**-3.3%**	-8.5%
Basic earnings per share from continuing operations prior to restructuring costs related to specific items (in dollars)	**0.94**	0.76	0.52	**24.0%**	45.8%
Diluted earnings per share from continuing operations prior to restructuring costs related to specific items (in dollars)	**0.92**	0.75	0.52	**23.6%**	44.5%
Basic (loss) earnings per share from discontinued operations (in dollars)	**(0.02)**	0.01	0.01	**0.0%**	-30.4%
Diluted (loss) earnings per share from discontinued operations (in dollars)	**(0.02)**	0.01	0.01	**0.0%**	-31.1%
Basic earnings per share (in dollars)	**0.92**	0.72	0.40	**28.3%**	77.9%
Diluted earnings per share (in dollars)	**0.90**	0.71	0.40	**27.1%**	76.2%

For the year ended September 30, 2008, the increase in earnings from continuing operations of 26.9% or $63.2 million was mainly a result of significantly improved operational profitability, the cumulative favourable income tax impact of $26.6 million in 2008, lower interest expense, as well as the now completed Competitive Position Strengthening Program, for which we had a net charge of $14.7 million in the first quarter of last year.

When comparing fiscal 2007 to fiscal 2006, earnings from continuing operations increased by 63.2% or $90.9 million. The increase was driven mainly by higher operational profitability in fiscal 2007 following the completion of our Competitive Position Strengthening Program with its lower restructuring costs representing a $30.1 million favourable impact year-over-year.

The net loss from discontinued operations for the year was mainly due to the $4.1 million impairment of goodwill pertaining to the Company's disposal of the net assets of our claims adjusting and risk management services business, as outlined earlier.

CGI's basic and diluted weighted average number of shares for fiscal 2008 were down versus the two prior years due to the repurchase of shares on the open market as part of the Normal Course Issuer Bids, the buyback of 100 million shares from BCE in the second quarter of 2006, partly offset by the issuance of Class A subordinate shares upon the exercise of stock options.

Liquidity

CGI's growth is financed through a combination of our cash flow from operations, borrowing under our existing credit facilities, the issuance of long-term debt, and the issuance of equity. One of our primary financial goals is to maintain an optimal level of liquidity through the active management of our assets and liabilities as well as our cash flows.

As at September 30, 2008, cash and cash equivalents were $50.1 million, compared to $88.9 million in 2007. The following table illustrates the main activities for the last three fiscal years.

Years ended September 30 (in '000 of dollars)	**2008**	2007	2006	**Change 2008/2007**	Change 2007/2006
Cash provided by continuing operating activities	**355,910**	544,615	302,704	**(188,705)**	241,911
Cash used in continuing investing activities	**(89,908)**	(154,338)	(139,234)	**64,430**	(15,104)
Cash used in continuing financing activities	**(304,077)**	(416,793)	(294,080)	**112,716**	(122,713)
Effect of foreign exchange rate changes on cash and cash equivalents of continuing operations	**398**	(3,962)	(352)	**4,360**	(3,610)
Net decrease in cash and cash equivalents of continuing operations	**(37,677)**	(30,478)	(130,962)	**(7,199)**	100,484

CASH PROVIDED BY CONTINUING OPERATING ACTIVIITES

Cash provided by continuing operating activities was $355.9 million or 9.6% of revenue for fiscal 2008. This is compared with $544.6 million or 15.0% of revenue in fiscal 2007. The year-over-year decrease is due to the following: 1) the cash inflows for the first quarter of 2007 were unusally high with $51.1 million of receipts having spilled over from the 2006 fiscal year as the year-end occurred on a weekend; 2) the $37.6 million final tax payment for fiscal 2007 that took place in the first quarter of 2008. As the 2006 profitability was negatively impacted by that year's restructuring activities, the 2007 installments were thus lower leaving a larger than normal final settlement for early 2008; 3) the $37.6 million year-over-year increase in the quarterly tax installments paid in 2008 that were based on the profitability of 2007, whereas the 2007 installments were based on the lower level of profitability in fiscal 2006; and, 4) the increase in DSO of eight days or approximately $80.0 million due to the timing of client milestone billings and pre-payments from our large outsourcing clients.

CASH USED IN CONTINUING INVESTING ACTIVITIES

During fiscal 2008, a total of $89.9 million was invested, a decrease of $64.4 million compared with the $154.3 million invested last year. The investments made during the year were primarily in capital assets, the development of business solutions, software licenses and contract costs.

In 2008, we received $29.2 million as net proceeds pertaining to the divestiture of our Canadian claims adjusting and risk management services business concluded in August. In 2007, we spent $17.3 million for acquisitions, predominately for the initial installment to acquire Codesic Consulting in May 2007, with no comparable investment in 2008.

The $61.0 million invested in capital assets was $10.0 million higher than the prior year and is mainly due to the purchase of certain computer equipment that would have previously been financed by operating leases, as the combination of income tax and interest rates made their financing less attractive. During the year, we invested approximately $38.0 million with the majority pertaining to assets supporting our new growth and infrastructure upgrades to our data centers. We also invested $20.0 million for leaseholds and furniture and fixtures mainly for our U.S. operations.

The investment of $13.1 million in contract costs was mainly related to transition costs for new outsourcing contracts and is lower than the 2007 spend by $11.1 million. This is due to the timing of transition projects associated with contracts that had either started prior to the fiscal year or started during fiscal 2008.

The investments in finite-life intangibles and other long-term assets were $48.0 million, representing a decrease of $18.3 million when compared to last year, due mainly to a $12.0 million reduction in the spend on our business solutions. In addition to ensuring the appropriate level of investments are made, we are continually reducing our spend rate through the increased utilization of India and other lower cost centers of excellence. An amount of $10.8 million was invested in software licenses to support our outsourcing contracts and is comparable to the prior years'spend.

Research expenses in fiscal 2008 were $28.8 million as compared to $35.7 million for 2007 and are accounted for within our costs of services, selling and administrative expenses. We seek new technology applications, or conceptually formulate and design possible prototypes or process alternatives that could potentially lead to new solutions for either existing or new clients. The combined gross research and development spending during the year, both capitalized and expensed, was $54.8 million compared with $73.8 million last year.

CASH USED IN CONTINUING FINANCING ACTIVITIES

For fiscal 2008, continuing financing activities used $304.1 million. This includes net repayments of $106.2 million on our credit facilities, further reducing our net debt to capitalization ratio from 16.8% in fiscal 2007 to 13.9% in 2008. In addition, $216.2 million was used for the repurchase of CGI stock under the Normal Course Issuer Bid in 2008, while the issuance of shares upon the exercise of stock options generated $32.4 million in proceeds.

In fiscal 2007, continuing financing activies consumed $416.8 million. During that year, we repaid $353.6 million on our credit facilities and purchased $128.5 million in CGI stock under the current and previous Normal Course Issuer Bid. The issuance of shares upon the exercise of stock options generated $42.7 million in proceeds.

Contractual Obligations

		Payments Due by Period				
Commitment Type (in '000s of dollars)	**Total**	**Less than 1 year**	**2nd and 3rd years**	**4th and 5th years**	**Years 6 to 10**	**After 10 years**
Long-term tebt	369,578	93,819	97,369	157,468	20,922	-
Capital lease obligations	21,513	7,098	11,401	3,014	-	-
Operating leases						
Rental of office space [1]	831,575	115,858	199,856	137,815	241,576	136,470
Computer equipment	49,392	35,688	13,256	381	67	-
Automobiles	10,975	4,050	4,622	2,130	173	-
Long-term service agreements	205,382	73,462	109,150	19,600	3,170	-
Total contractual obligations	**1,488,415**	**329,975**	**435,654**	**320,408**	**265,908**	**136,470**

1: Included in these obligations are $22.2 million of office space leases from past acquisitions.

We are committed under the terms of contractual obligations with various expiration dates, primarily for the rental of premises, computer equipment used in outsourcing contracts and long-term service agreements in the aggregate amount of $1,488.4 million. In 2008, total contractual obligations decreased by $178.1 million, primarily due to our repayments of long-term debt and rent payments made in the normal course of our operations.

In addition, following changes to the shareholders' agreement of CIA which occurred in the third quarter of fiscal 2007, CGI committed to purchase the remaining 39.3% of shares of CIA by October 1, 2011. As of September 30, 2008, 35.3% of the shares of CIA remain to be purchased. The purchase price of the remaining shares will be calculated by a formula as defined in the shareholders' agreement.

Capital Resources

(in '000 of dollars)	**Total commitment**	**Available at September 30, 2008**	**Outstanding at September 30, 2008**
	$	$	$
Cash and cash equivalents	**—**	50,134	—
Unsecured committed revolving facilities [1]	**1,500,000**	1,325,665	174,335 [2]
Lines of credit and other facilities [1]	**25,000**	25,000	—
Total	**1,525,000**	1,400,799	174,335 [2]

1: Excluding any existing credit facility under non-majority owned entities.
2: Consists of drawn portion of $158.0 million and Letters of Credit for $16.3 million.

Our cash position and bank lines are sufficient to support our growth strategy. At September 30, 2008, cash and cash equivalents were $50.1 million and the total credit facilities available amounted to $1,350.7 million. The Company had $1,325.7 million available under its credit facility and $25.0 million available under other demand line of credit. The facility also includes an accordion feature providing that at any time during the revolving period, we may request to increase the facility by $250 million. The increase is only subject to obtaining additional commitment from the bank group or from other participants. The long-term debt agreements contain covenants which require us to maintain certain financial ratios. At September 30, 2008, CGI was in compliance with these covenants. Cash equivalents typically include commercial papers, notes, money market funds and term deposits as well as bankers' acceptances and bearer deposit notes issued by major banks.

The Company also has our proportionate share of a revolving demand credit facility related to Innovapost, the joint venture, for an amount of $5.0 million bearing interest at the Canadian prime rate. As at September 30, 2008, no amount has been drawn upon this facility.

Total long-term debt decreased by $82.1 million to $391.1 million at September 30, 2008, compared with $473.2 million at September 30, 2007. The variation resulted primarily from the net repayment of $106.2 million of our credit facilities and the impact from the fluctuations of foreign currencies against the Canadian dollar.

Effective December 21, 2007, the Company undesignated its US$192 million Senior U.S. unsecured notes as the hedging instrument for a part of the Company's net investment in self-sustaining foreign subsidiaries and entered into forward contracts to hedge the contractual principal repayments of the Senior U.S. unsecured notes to $194.2 million.

Selected Measures of Liquidity and Capital Resources

	As at September 30, 2008	As at September 30, 2007	As at September 30, 2006
Net debt to capitalization ratio	**13.9%**	16.8%	27.2%
Days sales outstanding *(in days)*	**50**	42	50
Return on invested capital [1]	**13.9%**	11.7%	8.4%

1: The return on invested capital ratio represents the proportion of the after-tax adjusted EBIT net of restructuring costs related to specific items over the last four quarters' average invested capital (sum of equity and debt less cash and cash equivalents).

The net debt to capitalization ratio decreased from last year's 16.8% to 13.9% due to debt reduction efforts throughout fiscal 2008.

DSO increased by eight days to 50 when compared with last year, mainly due to the timing of client milestone billings and pre-payments from our large outsourcing clients. In calculating the DSO, we subtract the deferred revenue balance and the tax credits receivable from the accounts receivable and work in progress. Payments from clients in advance of work being performed may fluctuate from year to year depending on the timing of payments received from outsourcing clients.

Return on invested capital was 13.9% up from 11.7% last year. This was mainly driven by our continued profitable growth and the benefits resulting from our Share Repurchase Program.

Off-Balance Sheet Financing and Guarantees

We do not engage in the practice of off-balance sheet financing, except for the use of operating leases for office space, computer equipment and vehicles. In accordance with GAAP, neither the lease liability nor the underlying asset is carried on the balance sheet as the terms of the leases do not meet the criteria for capitalization. From time to time, we also enter into agreements to provide financial or performance assurances to third parties on the sale of assets, business divestitures, guarantees and U.S. Government contracts.

In connection with sales of assets and business divestitures, we may be required to pay counterparties for costs and losses incurred as the result of breaches in representations and warranties, intellectual property right infringement and litigation against counterparties. While many of the agreements specify a maximum potential exposure totaling approximately $67.5 million, many do not specify a maximum amount or limited period. It is impossible to reasonably estimate the maximum amount that may have to be paid under such guarantees. The amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. No amount has been accrued in the consolidated balance sheets relating to this type of indemnification as at September 30, 2008. The Company does not expect to incur any potential payment in connection with these guarantees which would have a materially adverse effect on its consolidated financial statements.

We are also engaged to provide services under contracts with the U.S. Government. The contracts are subject to extensive legal and regulatory requirements and, from time to time, agencies of the U.S. Government investigate whether our operations are being conducted in accordance with these requirements. Generally, the Government has the right to change the scope of, or terminate, these projects at its convenience. The termination or a reduction in the scope of a major government project could have a material adverse effect on our results of operations and financial condition.

In the normal course of business, we may provide certain clients, principally governmental entities, with bid and performance bonds. In general, we would only be liable for the bid bonds if we refuse to perform the project once the bid is awarded. We would also be liable for the performance bonds in the event of default in the performance of our obligations. As at September 30, 2008, we had committed for a total of $137.1 million for these types of bonds. To the best of our knowledge, we complied with our performance obligations under all service contracts for which there was a performance or bid bond, and the ultimate liability, if any, incurred in connection with these guarantees would not have a material adverse effect on our consolidated results of operations or financial condition.

As at September 30, 2008, the Company has also entered into agreements for a total of $3.9 million that include indemnities in favour of third parties, mostly tax indemnities. In addition, we provided a guarantee of $5.9 million on the residual value of leased equipment, accounted for as an operating lease, at the expiration of the lease term.

Capability to Deliver Results
We believe that we have the capital resources and liquidity necessary to meet our commitments and existing obligations as well as to support our operations and to finance our growth strategies. We also believe that we have the required non-capital resources necessary to achieve our goals for continued growth. These non-capital resources include a strong management team with a very low historical turnover rate, sophisticated management frameworks for a consistent high standard of client service and ongoing managerial training, as well as internal systems and quality processes that help us integrate and retain new members as part of outsourcing contract wins or acquisitions.

Related Party Transactions
In the normal course of business, CGI is party to contracts with Innovapost, a joint venture, pursuant to which CGI is its preferred IT supplier. The Company exercises joint control over Innovapost's operating, financing and investing activities through its 49% ownership interest. The Company's share of the transactions and resulting balances, which were measured at commercial rates, are presented below.

Innovapost

Years ended September 30 (in '000 of dollars)	**2008**	2007	2006
Revenue	**124,461**	120,010	100,994
Accounts receivable	**12,050**	9,310	9,490
Work in progress	**5,939**	3,648	1,528
Contract costs	**11,206**	13,746	16,239
Deferred revenue	**2,715**	1,868	509

Fourth Quarter Results
The fourth quarter of CGI's fiscal 2008 was focused on generating revenue growth mainly through the signing of new contracts and extensions. Having realized the benefits of our Competitive Position Strengthening Program in fiscal 2007, we have continued our commitment to efficiently manage our operations thus improving our overall profitability.

REVENUE VARIATION AND REVENUE BY SEGMENT
The following table provides a summary of our revenue growth, in total and by segment, separately showing the impacts of foreign currency variations between 2008 and 2007. The 2007 revenue by segment is recorded reflecting the actual foreign exchange rates for that year.

For the 3 months ended September 30 (in '000 of dollars except for percentage)	**2008**	2007	**Change**
Revenue	**929,198**	903,702	**2.8%**
Variation prior to foreign currency impact	**2.6%**	11.6%	
Foreign currency impact	**0.2%**	-2.3%	
Variation over previous year	**2.8%**	9.3%	
Canada revenue prior to foreign currency impact	**559,348**	568,354	**-1.6%**
Foreign currency impact	**497**	-	**0.1%**
Canada revenue	**559,845**	568,354	**-1.5%**
U.S. and India revenue prior to foreign currency impact	**298,200**	268,589	**11.0%**
Foreign currency impact	**(1,402)**	-	**-0.5%**
U.S. and India revenue	**296,798**	268,589	**10.5%**
Europe and Asia Pacific revenue prior to foreign currency impact	**70,059**	66,759	**4.9%**
Foreign currency impact	**2,496**	-	**3.7%**
Europe and Asia Pacific revenue	**72,555**	66,759	**8.6%**
Revenue	**929,198**	903,702	**2.8%**

For the fourth quarter of 2008, revenue was $929.2 million, representing 2.6% growth on a constant currency basis. The impact of foreign currency was minimal at 0.2%, primarily due to unfavourable U.S. dollar and British pound fluctuations, partly offset by the favourable impact of the strengthening of the Euro currency. On a constant currency basis, the largest growth in our vertical markets was from retail and distribution (9%), government and healthcare (7%), and financial services (5%).

CANADA
Revenue in Canada was $559.8 million for the fourth quarter ended September 30, 2008. This represents a decrease of 1.6% or $9.0 million on a constant currency basis against the comparable quarter of 2007. This decrease was primarily due to lower work volumes from BCE as it reorganizes itself in preparation for its privatization in December 2008, as well as lower license revenue for our oil and gas solutions. The effects of these reductions were offset predominately by increased work from our financial services and retail and distribution clients.

U.S. AND INDIA
For the three months ended September 30, 2008, revenue in the U.S. was $296.8 million, up from $268.6 million in the same period a year ago. This represents a 11.0% or $29.6 million increase on a constant currency basis. The increase was mainly driven by growth with new and existing clients in the government and healthcare vertical market partly offset by the completion of work on certain contracts.

EUROPE AND ASIA PACIFIC
Revenue in Europe was $72.6 million in the fourth quarter of fiscal 2008. This compares to the $66.8 million in the fourth quarter of 2007, representing constant currency growth of 4.9% year-over-year. Growth was mainly driven by higher systems integration and consulting work for our telecommunications clients in Central Europe, and by the incremental revenue from a new outsourcing contract in the financial services vertical market with Daimler Financial Services. This was partly offset by lower revenues associated with a renewed contract in the financial services vertical market reflecting our ongoing commitment to reduce our clients' costs. Year-over-year, the positive impact of foreign currency fluctuations of $2.5 million or 3.7% came from the strengthening of the Euro, partly offset by unfavorable variances in the British pound.

ADJUSTED EBIT BY SEGMENT

For the 3 months ended September 30 (in '000 of dollars except for percentage)	**2008**	2007	**Change**
Canada	**69,210**	76,670	**-9.7%**
As a percentage of Canada revenue	**12.4%**	13.5%	
U.S. and India	**41,168**	31,053	**32.6%**
As a percentage of U.S. and India revenue	**13.9%**	11.6%	
Europe and Asia Pacific	**6,911**	6,509	**6.2%**
As a percentage of Europe and Asia Pacific revenue	**9.5%**	9.7%	
Corporate	**(12,167)**	(13,515)	**-10.0%**
As a percentage of revenue	**-1.3%**	-1.5%	
Adjusted EBIT	**105,122**	100,717	**4.4%**
Adjusted EBIT Margin	**11.3%**	11.1%	

CANADA
For the three months ended September 30, 2008, adjusted EBIT was $69.2 million, a decrease of $7.5 million when compared with the fourth quarter of 2007, while margin decreased from 13.5% to 12.4%. The decrease in adjusted EBIT year-over-year was primarily due to the reduced work program from BCE, as well as a higher level of severances incurred this quarter (approximately $4.4 million) to invest in productivity improvements in our data center operations.

U.S. AND INDIA
Adjusted EBIT in our U.S. operating segment for the three months ended September 30, 2008 was $41.2 million, representing an increase of 32.6% over the same quarter last year. As a percentage of revenue, this segment's profitability was 13.9%, up from 11.6% a year ago. This significant improvement was driven by the realization of improved productivity and profitability initiatives that leveraged our global delivery model, minimized non-billable time and reduced the margin leakage on projects.

EUROPE AND ASIA PACIFIC
For the three months ended September 30, 2008, adjusted EBIT was $6.9 million, representing an increase of $0.4 million when compared to the fourth quarter of 2007, while our margin decreased from 9.7% to 9.5%. This is due to the increased revenue, as outlined earlier, offset by costs incurred this quarter reflecting organizational refinements made across Europe.

Corporate
For the quarter ended September 30, 2008, the decrease in corporate expenses reflected our continuing commitment to strengthen the Company's competitive position by cost containment and improved efficiencies through ongoing investments in toolsets and process improvements.

NET EARNINGS

For the three months ended September 30 (in '000 of dollars except for percentage and share data)	**2008**	2007	Change
Adjusted EBIT	**105,122**	100,717	**4.4%**
Margin	**11.3%**	11.1%	
Interest on long-term debt	**6,372**	8,330	**-23.5%**
Other income	**(997)**	(3,511)	**-71.6%**
Interest and other expenses	**1,683**	133	**1,165.4%**
Gain on sale of assets	**–**	(700)	**-100.0%**
Earnings from continuing operations before income taxes and non-controlling interest	**98,064**	96,465	**1.7%**
Income taxes	**22,666**	31,222	**-27.4%**
Tax rate	**23.1%**	32.4%	
Non-controlling interest, net of income taxes	**229**	198	**15.7%**
(Loss) earnings from discontinued operations, net of income taxes	**(1,675)**	532	**-414.8%**
Net earnings	**73,494**	65,577	**12.1%**
Margin	**7.9%**	7.3%	
Weighted average number of Class A subordinate shares and Class B shares (basic)	**309,295,434**	327,727,002	**-5.6%**
Weighted average number of Class A subordinate shares and Class B shares (diluted)	**313,749,478**	334,520,373	**-6.2%**
Basic earnings per share (in dollars)	**0.24**	0.20	**20.0%**
Diluted earnings per share (in dollars)	**0.23**	0.20	**15.0%**

Earnings from continuing operations before income taxes and non-controlling interest have increased by $1.6 million or 1.7% over the fourth quarter of 2007. This increase was mainly a result of the improved profitability reflected in our adjusted EBIT and lower interest on our long-term debt, partly offset by the interest income earned on research and development claims received in the prior year.

Furthermore, during the fourth quarter of fiscal 2008, we experienced a one-time favourable income tax benefit of $9.5 million mainly pertaining to the determination of prior years' tax liabilities after reaching the final agreements with tax authorities. Excluding this one-time impact, our income taxes would have been $32.2 million representing a rate of 32.8% which is comparable to our normalized effective rate of 32% to 34%.

During the fourth quarter of fiscal 2008, we repurchased 3,177,520 of our Class A subordinate shares for $31.9 million at an average price of $10.03.

SUMMARY OF QUARTERLY RESULTS

				2008				2007
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Backlog (in millions of dollars)	**11,645**	11,638	11,672	11,690	11,696	11,825	11,921	12,229
Bookings (in millions of dollars)	**982**	986	1,043	1,134	803	789	848	750
Revenue								
Revenue (in '000 of dollars)	**929,198**	950,468	930,770	895,427	903,702	914,023	932,620	883,600
Year-over-year growth prior to foreign currency impact	**2.6%**	6.5%	5.4%	6.3%	11.6%	8.4%	8.9%	1.4%
Cost of services, selling and administrative expenses (in '000 of dollars)	**781,528**	798,883	781,379	750,175	750,225	770,911	787,023	745,580
% of revenue	**84.1%**	84.1%	83.9%	83.8%	83.0%	84.3%	84.4%	84.4%
Profitability								
Adjusted EBIT margin	**11.3%**	11.7%	11.6%	11.8%	11.1%	11.4%	11.0%	11.1%
Net earnings (in '000 of dollars)	**73,494**	77,897	68,785	72,588	65,577	64,433	62,711	43,681
Net earnings margin	**7.9%**	8.2%	7.4%	8.1%	7.3%	7.0%	6.7%	4.9%
Net earnings prior to restructuring costs related to specific items margin	**7.9%**	8.2%	7.4%	8.1%	7.3%	7.0%	6.7%	6.6%
Earnings from continuing operations (in '000 of dollars)	**75,169**	81,675	69,110	71,944	65,045	63,967	62,881	42,766
Earnings from continuing operations margin	**8.1%**	8.6%	7.4%	8.0%	7.2%	7.0%	6.7%	4.8%
Basic EPS from continuing operations (in dollars)	**0.24**	0.26	0.21	0.22	0.20	0.20	0.19	0.13
Diluted EPS from continuing operations (in dollars)	**0.24**	0.25	0.21	0.22	0.19	0.19	0.19	0.13
Basic EPS (in dollars)	**0.24**	0.25	0.21	0.22	0.20	0.20	0.19	0.13
Diluted EPS (in dollars)	**0.23**	0.24	0.21	0.22	0.20	0.19	0.19	0.13
Weighted average number of Class A subordinate shares and Class B shares – Basic (in '000)	**309,295**	315,385	321,835	323,927	327,727	328,831	329,057	330,451
Weighted average number of Class A subordinate shares and Class B shares – Diluted (in '000)	**313,749**	320,745	326,942	329,785	334,520	335,529	332,898	331,589

On a constant currency basis, our revenue grew in each quarter throughout fiscal 2008, with the strongest year-over-year growth seen in the third quarter at 6.5%.

As a result of our organic growth, our attention to cost structure, and further reduction in debt, our net earnings prior to restructuring costs relating to specific items margin improved from 6.6% in the first quarter of 2007 to 7.9% in the latest quarter.

Since September 30, 2006, the number of shares outstanding has decreased steadily, as we continued to repurchase our shares under the Normal Course Issuer Bid. In 2008, we repurchased 19,910,068 Class A subordinate shares of CGI on the open market, partly offset by the issuance of 4,107,823 Class A subordinate shares related to the exercise of options.

QUARTERLY VARIANCES

There are factors causing quarterly variances which may not be reflective of the Company's future performance. First, there is seasonality in SI&C work, and the quarterly performance of these operations is impacted by occurences such as vacations and the number of statutory holidays in any given quarter. Outsourcing contracts including BPS are affected to a lesser extent by seasonality. Second, the workflow from some clients may fluctuate from quarter to quarter based on their business cycle and the seasonality of their own operations. Third, the savings that we generate for a client on a given outsourcing contract may temporarily reduce our revenue stream from this client, as these savings may not be immediately offset by additional work performed for this client.

In general, cash flow from operating activities could vary significantly from quarter to quarter depending on the timing of monthly payments received from large clients, cash requirements associated with large acquisitions and outsourcing contracts, the timing of the reimbursements for various tax credits as well as profit sharing payments to members and the timing of restructuring cost payments.

Foreign exchange fluctuations also contribute to quarterly variances, and these variances are likely to increase as the percentage of revenue in foreign currencies increases. From a margin perspective, CGI benefits from a natural hedge against currency fluctuations driven mainly by U.S. dollar expenses incurred in Canada, such as licenses, maintenance, insurance and interest expenses.

Summary of Significant Accounting Policies

The audited consolidated financial statements for the years ended September 30, 2008, 2007 and 2006 include all adjustments that CGI's management considers necessary for the fair presentation of its financial position, results of operations and cash flows.

Certain comparative figures have been reclassified in order to conform to the presentation adopted in 2008, including the impact of the restatement for discontinued operations and the change in segmentation.

Changes in Accounting Policies

The CICA issued the following new Handbook sections, which were effective for interim periods beginning on or after October 1, 2007:

a) Section 3862, "Financial Instruments – Disclosures", describes the required disclosure for the assessment of the significance of financial instruments for an entity's financial position and performance and of the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks. This section and Section 3863, "Financial Instruments – Presentation" replaced Section 3861, "Financial Instruments – Disclosure and Presentation".

b) Section 3863, "Financial Instruments – Presentation", establishes standards for presentation of financial instruments and non-financial derivatives.

c) Section 1535, "Capital Disclosures", establishes standards for disclosing information about an entity's capital and how it is managed. It describes the disclosure requirements of the entity's objectives, policies and processes for managing capital, the quantitative data relating to what the entity regards as capital, whether the entity has complied with capital requirements and, if it has not complied, the consequences of such non-compliance.

The additional disclosures required as a result of the adoption of these standards are included in Notes 27 and 28 to the consolidated financial statements for the year ending September 30, 2008.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting policies are described in Note 2 to the September 30, 2008 audited consolidated financial statements. The preparation of the consolidated financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Because of the use of estimates inherent in the financial reporting process, actual results could differ from those estimates.

An accounting estimate is considered critical if the estimate requires management to make assumptions about matters that were highly uncertain at the time the estimate was made, if different estimates could reasonably have been used in the period, or changes in the accounting estimates that are reasonably likely to occur, have a material impact on the presentation of our financial condition, changes in financial condition or results of operations.

		Consolidated statements of earnings			
Areas impacted by estimates	Consolidated balance sheets	Revenue	Costs of services, selling and administrative	Amortization/impairment	Income taxes
Goodwill	■			■	
Income taxes	■				■
Contingencies and other liabilities	■		■		
Accrued integration charges	■		■		
Revenue recognition	■[1]	■			
Stock-based compensation	■		■		
Investment tax credits and government assistance	■		■		
Impairment of long-lived assets	■			■	

1: Accounts receivable, work in progress and deferred revenue.

GOODWILL

Goodwill is assessed for potential impairment at the reporting unit level, at least annually or when events or changes in circumstances exist such that the carrying amount may not be recoverable. Such an assessment requires a comparison of the fair value of the reporting unit to its carrying value. Our three operating segments are our reporting units. The estimate of fair value of a reporting unit is based on a discounted cash flow analysis using management approved key assumptions such as future cash flows, growth projections, terminal values, discount rates and industry data. Any change in the estimates used could have a material impact on the calculation of fair value and the resulting impairment charge. Significant changes in the estimates and assumptions used in goodwill impairment testing will not impact cash flow generated from our operations.

INCOME TAXES

The Company measures income tax assets and liabilities, both current and future, according to enacted or substantively enacted income tax legislation that is expected to apply when the asset is realized or the liability settled. The applicable income tax legislation and regulations are subject to the Company's interpretation. An assessment of the ultimate realization of the future income taxes generated from temporary differences between the book and the tax value of assets and liabilities as well as tax losses carried forward is performed regularly. The conclusion of whether it is more likely than not that future assets will be realized includes making assessments of expectations of future taxable income. The ultimate amount of future income taxes and income tax provisions could be materially different from those recorded, as is it influenced by future operating results of the Company and its tax interpretations.

CONTINGENCIES AND OTHER LIABILITIES

The Company accrues for costs incurred to restructure and integrate acquired businesses and for other liabilities requiring significant judgment. Contingencies for pending or threatened litigation, guarantees and other possible liabilities involve uncertainty as to possible gain or loss to the Company that will ultimately be resolved when one or more future events occur or fail to occur. Resolution of the uncertainty may confirm the reduction of a liability or the occurrence of a liability. The accrued liabilities are based on historical experience, current trends and other assumptions that are believed to be reasonable under the circumstances.

ACCRUED INTEGRATION CHARGES
Accrued integration charges are comprised mostly of provisions related to leases for premises occupied by the acquired businesses which the Company plans to vacate. The costs of closure of facilities are estimated at the business acquisition date and the adjustments to the initial provision are made as soon as the Company's management has gathered all the significant information. Key assumptions include discount rate and the possibility to sublease vacated premises. The discount rate assumption used to calculate the present value of the Company's projected payments was determined using the interest rate on the unsecured notes of the Company. The possibility to sublease vacated premises was determined using the experience of the Company's management and the knowledge of the Company's advisers regarding specific regions and characteristics of premises. In addition, at each reporting date, the Company evaluates the accruals for closed facilities associated with its restructuring program.

Furthermore, there are various claims and pending actions against the Company arising in the ordinary course of its business as well as inherited from business acquisitions. Certain of these actions seek damages in significant amounts. Among other things, the Company considers the period in which the underlying cause of the claim occurred, the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the loss to determine whether a loss accrual or disclosure in the consolidated financial statements is required**.**

REVENUE RECOGNITION
The majority of our revenue is recognized based on criteria which does not require us to make significant estimates. However, CGI provides services containing other pricing mechanisms such as fixed-price arrangements under the percentage-of-completion and benefits-funded arrangements. The percentage-of-completion method requires estimates of costs and profits over the entire term of the arrangement, including estimates of resources and costs necessary to complete performance. Further, if total costs from a contract are more likely than not to exceed the total revenue from the contract, then a provision for the probable loss is made in the period in which the loss first becomes evident. Revenue from system integration and consulting services under benefits-funded arrangements is recognized only to the extent it can be predicted, with reasonable certainty, that the benefit stream will generate amounts sufficient to fund the value on which revenue recognition is based.

Another assessment, related to a contract which involves the provision of multiple-service elements, is to determine whether the total estimated contract revenue that is allocated to each element is based on the relative fair value or vendor specific objective evidence of each element. Revenue is then recognized for each element as for single-element contracts.

Management regularly reviews arrangement profitability and the underlying estimates. Estimates of total revenue at the start of the contract may differ materially from actual revenue generated due to volume variations, changes in technology and other factors which may not be foreseen at inception.

STOCK-BASED COMPENSATION
CGI accounts for its stock option plan in accordance with section 3870, "Stock-based Compensation and Other Stock-based Payments" of the CICA Handbook. Pursuant to the recommendations of this section, CGI has elected to value the options granted as part of its share-based payment transactions using the Black-Scholes valuation model. The variables in the model include, but are not limited to: the expected stock price volatility over the term of the awards, expected forfeitures, the expected life of the options and the risk-free interest rate. Different assumptions and changes in circumstances could create material differences in our results of operations.

INVESTMENT TAX CREDITS AND GOVERNMENT ASSISTANCE
The Company receives refundable tax credits on salaries and tax credits on research and software development costs, which meet the criteria of investment tax credits. The Company is subject to annual audits to verify the amount for which it is entitled and whether it operates eligible activities under the terms of various government tax credit programs. An assessment of the proportion of eligible expenses and of the acceptability rate by these different governments are performed periodically.

IMPAIRMENT OF LONG-LIVED ASSETS
The Company tests the recoverability of long-lived assets, such as finite-life intangibles, contract costs and capital assets, at the end of each year in the case of business solutions or when events or changes in circumstances exist that the carrying amount may not be recoverable. For finite-life intangibles, such as business solutions, software licenses and client relationships, estimates and assumptions include determining the appropriate period over which to amortize the capitalized costs based on the estimated useful lives and estimating the related future cash flows, and assessing these against the unamortized balances. For internal-use software included in finite-life intangibles and for capital assets, the appropriate amortization period is based on estimates of the Company's ability to utilize these assets on an ongoing basis. To assess the recoverability of capitalized software costs, the Company must estimate future revenue, costs and future cash inflows and outflows. With respect to the recoverability assessment of contract costs, the undiscounted estimated cash flows are projected over its remaining life and compared to the contract costs carrying amount. Changes in the estimates and assumptions used in long-lived assets impairment testing will not impact the cash flows generated by the Company's operations.

Future Accounting Changes
In February 2008, the Canadian Accounting Standards Board confirmed that the use of International Financial Reporting Standards ("IFRS") would be required for Canadian publicly accountable enterprises for fiscal years beginning on or after January 1, 2011.

In preparation for the conversion to IFRS, the Company has developed an IFRS changeover plan. We are currently in the diagnostic phase which involves a review of the differences between current Canadian GAAP and IFRS, as well as a review of the alternatives available on adoption. As implications of the conversion are identified in this phase, the impacts on the other key elements of our conversion plan will be assessed. These key elements include: accounting policy changes, information technology changes, education and training requirements, internal control over financial reporting, and impacts on business activities.

We will continue to report on the key elements and timing of our IFRS implementation plan in our interim MD&A's throughout fiscal 2009.

In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets" effective for interim periods beginning on or after October 1, 2008. Section 3064, which replaces Section 3062, "Goodwill and Other Intangible Assets" and Section 3450, "Research and Development Costs", establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. The provisions relating to the definition and initial recognition of intangible assets, including internally generated intangible assets, are equivalent to the corresponding provisions of IFRS. Section 1000, "Financial Statement Concepts", was also amended to provide consistency with this new standard. The Company has assessed that the impact of this new Section will not be significant.

The CICA has amended Section 1400, "General Standards of Financial Statement Presentation", which is effective for interim periods beginning on or after October 1, 2008, to include requirements to assess and disclose the Company's ability to continue as a going concern. The adoption of this new section will not have an impact on the consolidated financial statements.

Financial Instruments
From time to time, the Company uses various financial instruments to manage its exposure to fluctuations of foreign currency exchange rates. The Company does not hold or use any derivative instruments for speculative trading purposes. Foreign exchange translation gains or losses on the net investments in self-sustaining foreign subsidiaries are recorded under other comprehensive loss. Any realized or unrealized gains or losses on instruments covering the U.S. denominated debt are also recognized in the other comprehensive loss.

Risks and Uncertainties
While we are confident about our long-term prospects, the following risks and uncertainties could affect our ability to achieve our strategic vision and objectives for growth and should be considered when evaluating our potential as an investment.

RISKS RELATED TO OUR INDUSTRY

The competition for contracts – We have a disciplined approach to the management of all aspects of our business, with almost all of our operations certified under ISO 9001. Our management processes were developed to help us ensure that our members consistently deliver services according to our high standards and they are based on strong values underlying our client-focused culture. These processes have contributed to our high contract win and renewal rates to date. Additionally, we have developed a deep strategic understanding of the five vertical markets we target, and this helps enhance our competitive position. CGI is a leading provider of IT services and BPS in Canada, and through a combination of organic growth and acquisitions, we continue to strengthen our position in the U.S. market. We have made good progress in growing our revenue from the U.S. and internationally over time and expect this trend to continue. However, the market for new IT and BPS outsourcing contracts remains very competitive and there can be no assurances that we will continue to compete successfully.

The length of the sales cycle for major outsourcing contracts – As outsourcing deals become larger and more complex, the Company is experiencing longer selling cycles. In the past, we experienced cycles lasting between six and 18 months, which now are between 12 and 24 months. The lengthening sales cycle could affect our ability to meet annual growth targets.

The availability and retention of qualified IT professionals – There is strong demand for qualified individuals in the IT industry. Over the years, we have been able to successfully attract and retain highly qualified staff, due in large part to our solid culture, strong values and emphasis on career development, as well as performance-driven remuneration. In addition, we have implemented a comprehensive program aimed at attracting and retaining qualified and dedicated professionals. We believe that we are a preferred employer in the IT services industry. We also secure access to additional qualified professionals through outsourcing contract wins and business acquisitions. In addition, because of the competitiveness of the IT labour market, we may not be able to hire and retain the employees we require, causing us to increase our reliance on external subcontractors which could have an impact on our operating margins.

The ability to continue developing and expanding service offerings to address emerging business demands and technology trends – We strive to remain at the forefront of developments in the IT services industry, thus ensuring that we can meet the evolving needs of our clients. We achieved this expertise as a result of our specialization in five targeted vertical markets; our non-exclusive commercial alliances with hardware and software vendors and strategic alliances with major partners; our development of proprietary IT solutions; regular training and sharing of professional expertise across our network of offices and professionals; and business acquisitions that provide specific knowledge or added geographic coverage.

Infringing on the intellectual property rights of others – We cannot be sure that our services and offerings do not infringe on the intellectual property rights of third parties, and we may have infringement claims asserted against us. These claims may be costly, harm our reputation, and prevent us from providing some services and offerings. We enter into licensing agreements with our clients for the right to use intellectual property that includes a commitment to indemnify the licensee against liability and damages arising from any third-party claims of patent, copyright, trademark or trade secret infringement. In some instances, the amount of these indemnity claims could be greater than the revenue we receive from the client. Any claims or litigation in this area, whether we ultimately win or lose, could be time-consuming and costly, injure our reputation, or require us to enter into royalty or licensing arrangements. Any limitation on our ability to sell or use products or services that incorporate challenged software or technologies could cause us to lose revenue-generating opportunities or require us to incur additional expenses to modify solutions for future projects.

Benchmarking provisions within certain contracts – Some of our outsourcing contracts contain clauses allowing our clients to externally benchmark the pricing of agreed upon services against those offered by other providers in an appropriate peer comparison group. The uniqueness of the client environment is factored in and if results indicate a difference outside the agreed upon tolerance, we will work with the clients to reset the pricing for their services. The outcomes may have either an unfavourable or favourable impact on our future results.

Protecting our intellectual property rights – Our success depends, in part, on our ability to protect our proprietary methodologies, processes, know-how, tools, techniques and other intellectual property that we use to provide our services. Our general practice is to pursue patent, copyright, trademark, trade secret or other appropriate intellectual property protection that is reasonable and necessary to protect and leverage our intellectual assets. For instance, all CGI business solutions will benefit from copyright protection and patent protection where available. Furthermore, CGI requires its clients, partners and subcontractors to execute a Non-Disclosure Agreement when entering into a business relationship in order to protect its intellectual property against appropriation or infringement. We also assert trademark rights in and to our name, product names, logos and other markings used to identify our goods and services in the marketplace. We routinely file for and have been granted trademark registrations from the U.S. Patent and Trademark Office and other trademark offices worldwide. The same is done for our CGI domain name on the internet. All of these actions allow CGI to enforce its intellectual property rights, should the need arise. However, the laws of some countries in which we conduct business may offer only limited protection of our intellectual property rights; and despite our efforts, the steps taken to protect our intellectual property may not be adequate to prevent or deter infringement or other misappropriation of intellectual property, and we may not be able to detect unauthorized use of our intellectual property, or take appropriate steps to enforce our intellectual property rights.

RISKS RELATED TO OUR BUSINESS

Business mix variations – The proportion of revenue that we generate from shorter-term systems integration and consulting ("SI&C") projects, versus revenue from long-term outsourcing contracts, will fluctuate at times, affected by acquisitions or other transactions. An increased exposure to revenue from SI&C projects may result in greater quarterly revenue variations.

The financial and operational risks inherent in worldwide operations – We manage operations in 16 countries worldwide, with less than 10% of revenue coming from outside North America. We believe that our Management Foundation, which includes management frameworks and processes that guide business unit leaders in managing our members and clients, helps ensure worldwide operational efficiency and consistency. However, the scope of our worldwide operations makes us subject to currency fluctuations; the burden of complying with a wide variety of national and local laws; differences in, and uncertainties arising from local business culture and practices; multiple and sometimes conflicting laws and regulations, including tax laws; operating losses incurred in certain countries as we develop our international service delivery capabilities and the non-deductibility of these losses for tax purposes; the absence in some jurisdictions of effective laws to protect our intellectual property rights; restrictions on the movement of cash and other assets; restrictions on the import and export of certain technologies; restrictions on the repatriation of earnings; and political, social and economic instability including the threats of terrorism and pandemic illnesses. We have a hedging strategy in place to protect ourselves, to the extent possible, against foreign currency exposure; but, other than the use of financial products to deliver on our hedging strategy, we do not trade derivative financial instruments. While we believe we have effective management processes in place in each office worldwide, any or all of these risks could impact our global business operations and cause our profitability to decline.

The ability to successfully integrate business acquisitions and the operations of IT outsourcing clients – The integration of acquired operations has become a core competency for us as we have acquired a large number of companies since our inception. Our disciplined approach to management, largely based on our management frameworks, has been an important factor in the successful integration of human resources of acquired companies and the IT operations of outsourcing clients.

Material developments regarding major commercial clients resulting from such causes as changes in financial condition, mergers or business acquisitions – The company has only one client representing more than 10% of total revenue.

Early termination risk – If we should fail to deliver our services according to contractual agreements, some of our clients could elect to terminate contracts before their agreed expiry date, which would result in a reduction of our earnings and cash flow and may impact the value of our backlog. We have a strong record of successfully meeting or exceeding our clients' needs. We take a professional approach to business, and our contracts are written to clearly identify the scope of our responsibilities and minimize risks. In addition, a number of our outsourcing contractual agreements have termination for convenience and change of control clauses according to which a change in the client's intentions or a change in control of CGI could lead to a termination of the said agreements.

Credit risk concentration with respect to trade receivables – We generate more than 10% of our revenue (12.2% in fiscal 2008) from the subsidiaries and affiliates of BCE. However, it is our belief that we are not subject to any significant credit risk in view of our large and diversified client base.

Cost estimation risks – In order to generate acceptable margins, our pricing for services is dependent on our ability to accurately estimate the costs and timing for completing projects or long-term outsourcing contracts. In addition, a significant portion of our project-oriented contracts are performed on a fixed-price basis. Billing for fixed-price engagements is made in accordance with the contract terms agreed upon with our client, and revenue is recognized based on the percentage of effort incurred to date in relation to the total estimated costs to be incurred over the duration of the respective contract. These estimates reflect our best judgment regarding the efficiencies of our methodologies and professionals as we plan to apply them to the contracts. We manage all client contracts in accordance with the CGI Client Partnership Management Framework ("CPMF"), a process framework which helps ensure that all contracts are managed according to the same high standards throughout the organization. As a result of the CPMF, there is a high degree of rigour and discipline used to accurately estimate the cost of client engagements. However, unexpected factors, including those outside of our control, could have an impact on costs or the delivery schedule which could have an adverse impact on our expected profit margins.

Our partners' ability to deliver on their commitments – Increasingly large and complex contracts may require that we rely on third party subcontractors including software and hardware vendors to help us fulfil our commitments. Our success depends on the ability of the third parties to deliver their obligations within agreed upon budgets and timeframes. If our partners fail to deliver, our ability to complete the contract may be adversely affected, which may have an unfavourable impact on our profitability.

Guarantees risk – In the normal course of business, we enter into agreements that may provide for indemnification and guarantees to counterparties in transactions such as consulting and outsourcing services, business divestitures, lease agreements and financial obligations. These indemnification undertakings and guarantees may require us to compensate counterparties for costs and losses incurred as a result of various events, including breaches of representations and warranties, intellectual property right infringement, claims that may arise while providing services or as a result of litigation that may be suffered by counterparties.

Government business risk – Changes in federal, provincial or state government spending policies or budget priorities could directly affect our financial performance. Among the factors that could harm our government contracting business are the curtailment of the government's use of consulting and IT services firms; a significant decline in spending by the governments, in general, or by specific departments or agencies in particular; the adoption of new laws or regulations that affect companies that provide services to governments; delays in the payment of our invoices by government payment offices; and general economic and political conditions. These or other factors could cause government agencies and departments to reduce their purchases under contracts, to exercise their right to terminate contracts, to issue temporary stop work orders, or not to exercise options to renew contracts, any of which would cause us to lose future revenue. Our client base in the government economic sector is very diversified with contracts from many different departments and agencies in the U.S. and Canada; however, government spending reductions or budget cutbacks at these departments or agencies could materially harm our continued performance under these contracts, or limit the awarding of additional contracts from these agencies.

Legal claims made against our work – We create, implement and maintain IT solutions that are often critical to the operations of our clients' business. Our ability to complete large projects as expected could be adversely affected by unanticipated delays, renegotiations, and changing client requirements or project delays. Such problems could subject us to legal liability, which could adversely impact our business, operating results and financial condition, and may negatively affect our professional reputation. We typically include provisions in our contracts which are designed to limit our exposure to legal claims relating to our services and the applications we develop. These provisions may not protect us or may not be enforceable under some circumstances or under the laws of some jurisdictions.

RISKS RELATED TO BUSINESS ACQUISITIONS

Difficulties in executing our acquisition strategy – A significant part of our growth strategy is dependent on our ability to continue making niche acquisitions t increase the breadth and depth of our service offerings as well as large acquisitions to specifically increase our critical mass in the U.S. and Europe. We cannot, however, give any assurance that we will be able to identify any potential acquisition candidates, consummate any additional acquisitions or that any future acquisitions will be successfully integrated into our operations and provide the tangible value that had been expected. Without additional acquisitions, we are unlikely to maintain our historic or expected growth rates.

Our management faces a complex and potentially time-consuming task in implementing uniform standards, controls, procedures and policies across our business units. Integrating businesses can result in unanticipated operational problems, expenses and liabilities. In addition, to the extent that management is required to devote significant time, attention and resources to the integration of operations, personnel and technology, our ability to service current clients may be reduced, which may adversely affect our revenue and profitability.

RISKS RELATED TO THE MARKET

Economic risk – An economic downturn may cause our revenue to decline. The level of business activity of our clients, which is affected by economic conditions, has a bearing upon the results of our operations. We can neither predict the impact that current economic conditions will have on our future revenue, nor predict when economic conditions will show meaningful improvement. During an economic downturn, our clients and potential clients often cancel, reduce or defer existing contracts and delay entering into new engagements. In general, companies also decide to undertake fewer IT systems projects during difficult economic times, resulting in limited implementation of new technology and smaller engagements. Because there are fewer engagements in a downturn, competition usually increases and pricing for services may decline as competitors, particularly companies with significant financial resources, decrease rates to maintain or increase their market share in our industry and this may trigger pricing adjustments related to the benchmarking obligations within our contracts. Our pricing, revenue and profitability could be negatively impacted as a result of these factors.

Integrity of Disclosure
Our management assumes the responsibility for the existence of appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable. The Board of Directors' duties include the assessment of the integrity of the Company's internal controls and informations systems.

CGI has a formal Corporate Disclosure Policy as a part of its Fundamental Texts whose goal is to raise awareness of the Company's approach to disclosure among the Board of Directors, senior management and employees. The Board of Directors has established a Disclosure Policy Committee responsible for all regulatory disclosure requirements and overseeing the Company's disclosure practices.

The Audit and Risk Management Committee of CGI is composed entirely of independent directors who meet the independence and experience requirements of the New York Stock Exchange as well as those that apply under the Canadian securities regulation. The responsibilities of our Audit and Risk Management Committee include: a) the review of all our public disclosure documents containing audited or unaudited financial information; b) identifying and examining the financial and operating risks to which we are exposed and reviewing the various policies and practices that are intended to manage those risks; c) the review and assessment of the effectiveness of our accounting policies and practices concerning financial reporting; d) the review and monitoring of our internal control procedures, programs and policies and assessment of the adequacy and effectiveness thereof; e) reviewing the adequacy of our internal audit resources including the mandate and objectives of the internal auditor; f) recommendation to the Board of Directors of CGI on the appointment of external auditors, the assertion of the external auditors' independence, the review of the terms of their engagement as well as carrying on ongoing discussions with them; g) the review of the audit procedures; h) the review of related party transactions; and i) such other responsibilities usually attributed to audit and risk committees or as directed by our Board of Directors.

The Company evaluated the effectiveness of its disclosure controls and internal controls over financial reporting, supervised by and with the participation of the Chief Executive Officer and the Chief Financial Officer as of September 30, 2008. The CEO and CFO concluded that, based on this evaluation, the Company's disclosure controls and procedures and internal controls over financial reporting were adequate and effective, at a reasonable level of assurance, to ensure that material information related to the Company and its consolidated subsidiaries would be made known to them by others within those entities.

Legal Proceedings
From time to time, the Company is involved in legal proceedings, audits, claims and litigation arising in the ordinary course of its business. Certain of these matters seek damages in significant amounts. Although, the outcome of such matters is not predictable with assurance, the Company has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Company's financial position, results of operations or the ability to carry on any of its business activities. As at September 30, 2008, the Company is involved in claims of approximately $140.0 million and counterclaims exceeding $160.0 million.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

Groupe CGI Inc./CGI Group Inc.

By:/s/ André Imbeau
Name: André Imbeau
Title: Founder, Executive Vice-Chairman and Corporate Secretary

Date: December 22, 2008

EXHIBIT INDEX

23.1	Consent of Deloitte & Touche LLP
99.1	Certification of the Registrant's Chief Executive Officer required pursuant to Rule 13a-14(a).
99.2	Certification of the Registrant's Chief Financial Officer required pursuant to Rule 13a-14(a).
99.3	Certification of the Registrant's Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.4	Certification of the Registrant's Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS

We consent to the use of our reports dated November 9, 2008 relating to the consolidated financial statements of CGI Group Inc. (which includes comments by Independent Registered Chartered Accountants for U.S. readers on Canada-U.S. reporting differences) and the effectiveness of internal control over financial reporting appearing in this Annual Report of CGI Group Inc. on Form 40-F for the year ended September 30, 2008.

We also consent to the incorporation by reference in Registration Statements (Nos. 333-112021, 333-13350, 333-66044, 333-74932 and 333-146175) on Form S-8 of our reports dated November 9, 2008 relating to the consolidated financial statements of CGI Group Inc. (which includes comments by Independent Registered Chartered Accountants for U.S. readers on Canada-U.S. reporting differences) and the effectiveness of internal control over financial reporting appearing in the Annual Report on Form 40-F of CGI Group Inc. for the year ended September 30, 2008.

/s/ Deloitte & Touche LLP

Independent Registered Chartered Accountants
December 22, 2008

Exhibit 99.1

CERTIFICATION

I, Michael E. Roach, certify that:

1. I have reviewed this annual report on Form 40-F of CGI Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: December 22, 2008

/s/ Michael E. Roach
Michael E. Roach
President and
Chief Executive Officer

Exhibit 99.2

CERTIFICATION

I, R. David Anderson, certify that:

1. I have reviewed this annual report on Form 40-F of CGI Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: December 22, 2008

/s/ R. David Anderson
R. David Anderson
Executive Vice-President and
Chief Financial Officer

Exhibit 99.3

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION. 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Annual Report on Form 40-F for the fiscal year ended September 30, 2008 (the "Report") by CGI Group Inc. (the "Company"), the undersigned, as the Chief Executive Officer of the Company, hereby certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 22, 2008

/s/ Michael E. Roach
Michael E. Roach
President and
Chief Executive Officer

Exhibit 99.4

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION. 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Annual Report on Form 40-F for the fiscal year ended September 30, 2008 (the "Report") by CGI Group Inc. (the "Company"), the undersigned, as the Chief Financial Officer of the Company, hereby certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 22, 2008

/s/ R. David Anderson
R. David Anderson
Executive Vice-President and
Chief Financial Officer