

CONSOLIDATED FINANCIAL STATEMENTS OF

CGI GROUP INC.

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2001

CGI Group Inc.

Consolidated statements of earnings

(in thousands of Canadian dollars, except per share amounts) (unaudited)

	Three months		Twelve months	
	ended September 30, 2001	2000	ended September 30, 2001	2000
	\$	\$	\$	\$
Revenue	469,018	320,101	1,581,315	1,436,008
Operating expenses				
Costs of services,				
selling and				
administrative				
expenses	392,684	293,030	1,339,110	1,254,351
Research	3,704	2,250	12,585	9,960
	396,388	295,280	1,351,695	1,264,311
Operating earnings before:	72,630	24,821	229,620	171,697
Depreciation and				
amortization of fixed				
assets	9,523	5,698	32,536	26,387
Amortization of contract				
costs	12,637	5,393	33,460	21,991
	22,160	11,091	65,996	48,378
Earnings before the				
following items	50,470	13,730	163,624	123,319
Interest				
Long-term debt	(1,258)	(946)	(4,206)	(3,624)

Other	(233)	52	(335)	(130)
Income	800	810	2,999	3,898
	(691)	(84)	(1,542)	144

Earnings before income taxes, entity subject to significant influence and amortization of goodwill	49,779	13,646	162,082	123,463
Income taxes	22,507	6,553	72,165	49,985

Earnings before entity subject to significant influence and amortization of goodwill	27,272	7,093	89,917	73,478
Entity subject to significant influence	-	-	7	64

Earnings before amortization of goodwill	27,272	7,093	89,924	73,542
Amortization of goodwill, net of income taxes	7,451	4,674	27,135	17,876
Net earnings	19,821	2,419	62,789	55,666

Weighted average number of outstanding Class A subordinate shares and Class B shares	343,593,521	272,041,480	299,500,350	270,442,354
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Basic and diluted earnings before

amortization of goodwill per share (Note 1)	0.08	0.03	0.30	0.27
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Basic earnings per share (Note 1)	0.06	0.01	0.21	0.21
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Diluted earnings per share (Note 1)	0.06	0.01	0.21	0.20
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CGI Group inc.

Consolidated statements of retained earnings
(in thousands of Canadian dollars) (unaudited)

	Three months ended September 30, 2001 2000		Twelve months ended September 30, 2001 2000	
	\$	\$	\$	\$
Retained earnings, beginning of period, as previously reported	226,124	180,737	183,156	139,080
Adjustment for change in accounting policy	-	-	-	(11,590)
Retained earnings, beginning of period, as restated	226,124	180,737	183,156	127,490
Net earnings	19,821	2,419	62,789	55,666
Retained earnings, end of period	245,945	183,156	245,945	183,156

CGI Group Inc.

Consolidated balance sheets

(in thousands of Canadian dollars) (unaudited)

	As at September 30, 2001	As at September 30, 2000
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	46,008	49,341
Accounts receivable	320,667	218,938
Income taxes	979	2,733
Work in progress	84,838	56,799
Prepaid expenses and other current assets	48,931	19,442
Future income taxes	17,998	7,052
	519,421	354,305
Investment in an entity subject to significant influence		
Fixed assets	123,391	58,900
Contract costs and other long-term assets	272,403	93,716
Future income taxes	32,785	24,470
Goodwill	1,114,793	395,903
	2,062,793	928,555
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	315,902	142,754
Deferred revenue	85,163	33,194
Future income taxes	21,013	7,963
Current portion of long-term debt	7,528	5,770
	429,606	189,681
Future income taxes	43,705	23,929
Long-term debt	32,752	37,644
Deferred credits	74,813	-
	580,876	251,254
Shareholders' equity		
Capital stock (Note 2)	1,213,542	491,807
Contributed surplus	211	211
Warrants (Note 2)	19,655	-
Retained earnings	245,945	183,156
Foreign currency translation adjustment	2,564	2,127

	1,481,917	677,301
	2,062,793	928,555

CGI Group Inc.

Consolidated statements of cash flows

(in thousands of Canadian dollars) (unaudited)

	Three months		Twelve months	
	ended September 30,		ended September 30,	
	2001	2000	2001	2000
	\$	\$	\$	\$
Operating activities				
Net earnings	19,821	2,419	62,789	55,666
Adjustments for:				
Depreciation and amortization of				
fixed assets	9,523	5,698	32,536	26,387
Loss on disposal of				
fixed assets	-	509	-	1,454
Amortization of contract costs and other				
long-term assets	12,637	5,393	33,460	21,991
Amortization of goodwill	7,807	4,993	28,586	19,153
Future income taxes	26,166	1,516	32,589	2,214
Foreign exchange loss				
(gain)	(396)	86	4,213	(497)
Entity subject to significant influence	-	-	(7)	(64)
	75,558	20,614	194,166	126,304
Changes in non-cash operating working capital items:				
Accounts receivable	(29,176)	5,620	(33,786)	17,206
Work in progress	(11,314)	23,565	(12,277)	31,725
Prepaid expenses and other current assets	11,447	6,684	(556)	(5,486)
Accounts payable and accrued liabilities	(17,558)	(15,546)	2,073	(92,027)
Income taxes	2,511	(6,975)	(559)	(13,647)

Deferred revenue	(15,834)	3,075	24,941	3,475
	(59,924)	16,423	(20,164)	(58,754)
<hr/>				
Cash provided by operating activities	15,634	37,037	174,002	67,550
<hr/>				
Financing activities				
Net variation of credit facility	(30,000)	-	(5,000)	(16,200)
Reduction of other long-term debts	(51,093)	(1,147)	(65,027)	(5,907)
Issuance of shares	53,716	434	54,206	10,931
<hr/>				
Cash used for financing activities	(27,377)	(713)	(15,821)	(11,176)
<hr/>				
Investing activities				
Business acquisitions (net of cash) (Note 3)	22,399	(15,503)	(86,393)	(18,395)
Investment in an entity subject to significant influence	-	-	-	(514)
Purchase of fixed assets	(2,966)	(5,650)	(23,993)	(18,090)
Proceeds from sale of fixed assets	1,270	11	1,270	845
Contract costs and other long-term assets	(12,375)	516	(48,635)	(14,177)
<hr/>				
Cash provided by (used for) investing activities	8,328	(20,626)	(157,751)	(50,331)
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Foreign exchange (loss) gain on cash held in foreign currencies				
	(3,891)	352	(3,763)	1,069
<hr/>				
Net (decrease) increase in cash and cash equivalents				
	(7,306)	16,050	(3,333)	7,112
Cash and cash equivalents				

at beginning of period	53,314	33,291	49,341	42,229
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Cash and cash equivalents				
to end of period	46,008	49,341	46,008	49,341
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Interest paid	552	894	4,592	3,754
Income taxes paid				
and received	10,100	13,629	41,615	67,154
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CGI Group Inc.

Notes to the consolidated financial statements

(tabular amounts only are in thousands of Canadian dollars) (unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements should be read in conjunction with the consolidated financial statements of the Company and notes thereto for the year ended September 30, 2000.

On October 1, 2000, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook section 3500 - Earnings per share. Under the revised section 3500, the treasury stock method is used instead of the current imputed earnings approach for determining the dilutive effect of options and warrants issued. In addition, the section requires that a reconciliation of the numerator and denominator be disclosed.

The CICA recently issued Handbook Sections 1581, "Business Combinations", and 3062, "Goodwill and Other Intangible Assets". Effective July 1, 2001, the Standards require that all business combinations be accounted for using the purchase method. Additionally, effective January 1, 2002, goodwill and intangible assets with an indefinite life will no longer be amortized to earnings and will be assessed for impairment on an annual basis in accordance with the new standards, including a transitional impairment test whereby any resulting impairment will be charged to opening retained earnings. Since early adoption of Sections 1581 and 3062 is permitted for companies with a fiscal year beginning after March 15, 2000, the Company will adopt these sections effective October 1, 2001. In fiscal 2002, the effect of the non-amortization of currently amortized

goodwill will result in an increase in the consolidated net earnings of approximately \$28,800,000. The Company is currently evaluating the impact of the adoption of the new standards, including the transitional impairment test, and therefore has not yet assessed their effect on the Company's future consolidated net earnings and financial position.

Three months ended September 30,

2001

	Net earnings (numerator)	Number of shares (denominator)	Per share amount
	\$		\$
Net earnings available to			
common shareholders	19,821	343,593,521	0.06
Dilutive options		2,202,589	
Dilutive warrants		981,267	

Net earnings available to			
common shareholders and			
assumed conversions	19,821	346,777,377	0.06

Twelve months ended September 30,

2001

	Net earnings (numerator)	Number of shares (denominator)	Per share amount
	\$		\$
Net earnings available to			
common shareholders	62,789	299,500,350	0.21
Dilutive options		1,287,291	
Dilutive warrants		319,545	

Net earnings available to common shareholders and assumed conversions	62,789	301,107,186	0.21
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Three months ended September 30,

2000

Net earnings (numerator)	Number of shares (denominator)	Per share amount
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\$

\$

Net earnings available to common shareholders	2,419	272,041,480	0.01
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Dilutive options	1,252,106		
Dilutive warrants	-		

Net earnings available to common shareholders and assumed conversions	2,419	273,293,586	0.01
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Twelve months ended September 30,

2000

Net earnings (numerator)	Number of shares (denominator)	Per share amount
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\$

\$

Net earnings available to common shareholders	55,666	270,442,354	0.21
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Dilutive options	2,317,858
Dilutive warrants	-

Net earnings available to common shareholders and assumed conversions	55,666	272,760,212	0.20
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NOTE 2 - CAPITAL STOCK AND WARRANTS

CAPITAL STOCK

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 and convertible at any time at the option of the holder into Class A subordinate shares.

OPTIONS

Under a stock option plan for certain employees and directors of the Company and its subsidiaries, the Board of Directors may grant, at its discretion, options to purchase company stock to certain employees and directors of the Company and of its subsidiaries. The exercise price is established by the Board of Directors but may not be lower than the average closing price for Class A subordinate shares over the five business days preceeding the date of grant. Each option must be exercised within a ten-year period, except in the event of retirement, termination of employment or death.

WARRANTS

In connection with the signing of strategic outsourcing contract and of a business acquisition, the Company granted warrants entitling the holders to subscribe to up to 5,118,210 Class A subordinate shares. The exercise prices were determined using the average closing price for Class A subordinate shares at a date and for a number of days around the respective transaction dates. The warrants vest upon signature of the

contracts or date of business acquisition and have an exercise period of five years. As at September 30, 2001, there were 5,118,210 warrants issued and outstanding, 4,000,000 of which are exercisable at a price of \$6.55 per share and expire April 30, 2006 and remaining 1,118,210 are exercisable at a price of \$8.88 per share expiring June 13, 2006. These warrants have a total fair value of \$19,655,000. The fair values of the warrants were estimated at their respective grant dates using the Black-Scholes option pricing model with the following assumptions : risk-free interest rate of 4.9%, dividend yield of 0.0%, expected volatility of 57.7% and expected life of 5 years.

The following table presents information concerning capital stock issued and paid and all stock options and warrants as at September 30, 2001 :

Number of shares issued and paid	Number
Class A subordinate shares	327,032,717
Class B shares	40,799,774
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Total capital stock	367,832,491
Number of stock options (convertible into	
Class A subordinate shares)	25,285,303
Number of warrants (convertible into	
Class A subordinate shares)	5,118,210
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Number of shares reflecting the potential	
exercise of stock options and warrants	398,236,004

As at September 30, 2001 and 2000, (after giving retroactive effect of the subdivision of the Company's shares that occurred on August 12, 1997, December 15, 1997, May 21, 1998 and January 7, 2000), the Class A subordinate shares and the Class B shares changed as follows :

September 30, 2001				
Class A subordinate shares		Class B shares		
	Number	Amount	Number	Amount
		\$		\$
Balance, beginning of				
period	240,755,667	490,645	34,846,526	1,162
Issued for cash				

Issued as consideration				
for business acquisitions	85,835,178	651,010	5,953,248	53,043
Fair value of options				
issued as consideration				
for business acquisitions	-	16,519	-	-
Options exercised	441,872	1,163	-	-
Balance, end of period	327,032,717	1,159,337	40,799,774	54,205

September 30, 2000

	Class A subordinate shares		Class B shares	
	Number	Amount	Number	Amount
		\$		\$
Balance, beginning of				
period	233,887,974	423,616	34,773,652	148
Issued for cash	287,914	4,003	-	-
Issued as consideration				
for business acquisitions	5,626,369	57,112	-	-
Fair value of options				
issued as consideration				
for business acquisitions	-	-	-	-
Options exercised	953,410	5,914	72,874	1,014
Balance, end of period	240,755,667	490,645	34,846,526	1,162

The following table presents information concerning all stock options granted to certain employees and directors by the Company as at September 30, 2001 and 2000:

	September 30, 2001	September 30, 2000
Number of options		
Outstanding, beginning of period	6,413,181	4,996,414
Granted	11,705,381	2,565,594
Granted as consideration for business		
acquisitions	8,424,502	-
Exercised	(441,872)	(1,026,284)
Forfeited and expired	(815,889)	(122,543)

Outstanding, end of year	25,285,303	6,413,181
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NOTE 3 - BUSINESS ACQUISITIONS

During the twelve months ended September 30, 2001, the Company acquired all the outstanding shares of C.U. Processing Inc. ("CUP") and RSI Realtime Inc. on October 4, 2000, and on December 12, 2000, respectively, and acquired 49.0% of all the outstanding shares of AGTI Consulting Services Inc. ("AGTI") on November 27, 2000. On January 4, 2001, the Company acquired all the outstanding shares of Groupe-conseil CDL Inc. and, on January 9, 2001, acquired all of the outstanding Star Data Systems Inc. ("Star Data") common shares on the basis of 0.737 Class A subordinate shares of the Company for each Star Data common share. On January 12, 2001, the Company increased its interest in Conseillers en informatique d'affaires ("CIA") from 35.0% to 49.0% and began using the proportionate consolidation method to account for this investment; prior to January 12, 2001, the Company used the equity method to account for this investment. A contingent payment of \$1,640,000 for AGTI was made in the three months ended March 31, 2001 based on the accomplishment of specified financial goals as at December 31, 2000. The contingent payment resulted in a corresponding increase of the purchase price and the resulting goodwill.

On May 1, 2001, the Company signed a strategic alliance for the management of data and micro-computing of Mouvement Desjardins operations. In the context of this agreement, the Company acquired the related assets, certain intellectual property rights and assumed liabilities of La Confédération des Caisses Populaires et d'Economie Desjardins du Québec ("Desjardins") used in data and micro-computing of Mouvement Desjardins operations. In addition, approximately 450 Desjardins employees were transferred to the Company. On May 31, 2001, the Company acquired CyberBranch, a subsidiary of Stanford Federal Credit Union of Palo Alto, California, and, on June 12, 2001, made its initial contribution of \$5,000,000 in NTER Technologies, Limited Partnership ("NTER"), a partnership created on February 1, 2001. The Company accounts for its 49.9% interest in NTER using the proportionate consolidation method.

On July 1, 2001, the Company acquired all of the outstanding shares of

Larochelle Gratton. On July 27, 2001, the Company acquired all of the outstanding shares of common stock of IMRglobal Corp. ("IMR"), on the basis of 1.5974 Class A subordinate share of the Company for each share of IMR common stock. In addition, outstanding IMR stock options as of that date became 8.4 million options to acquire Class A subordinate

Future income

taxes	7,537	15,716	(6,685)	10	4,228	1,139	21,945
Goodwill	578,525	73,060	9,549	14,602	41,601	27,588	744,925
Long-term							
debt	(53,988)	(10,799)	-	-	(812)	(1,759)	(67,358)

Deffered

credits	(7,609)	-	(67,627)	-	-	-	(75,236)
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Cash position	526,348	90,000	72,216	17,276	36,699	28,643	771,182
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at

acquisition	26,485	12,820	-	7,639	1,837	4,062	52,843
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	552,833	102,820	72,216	24,915	38,536	32,705	824,025
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Consideration

Cash	-	-	57,945	24,915	38,536	19,561	140,957
Issuance of							

85,835,178
Class A

subor-
dinate

shares	536,314	102,820	-	-	-	11,876	651,010
Issuance							

of 8,424,502
options to

acquire
Class A

subor-
dinate

shares	16,519	-	-	-	-	-	16,519
4,000,000 warrants at							

fair value	-	-	14,271	-	-	-	14,271
Equity value							

of CIA

investment

at acquisition

date	-	-	-	-	-	1,268	1,268
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	552,833	102,820	72,216	24,915	38,536	32,705	824,025
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NOTE 4 - SEGMENTED INFORMATION

The Company provides information technology services. The following presents information on the Company's operations based on its organizational structure.

As at and for the three months ended September 30, 2001	Canada	US	International
	\$	\$	\$
Revenue	367,582	80,454	32,429
Operating expenses	288,409	78,713	32,549
Operating earnings before:	79,173	1,741	(120)
Depreciation and amortization	19,275	1,604	951
Earnings before interest, income taxes and amortization of goodwill	59,898	137	(1,071)
Total assets	971,154	806,173	240,710
As at and for the three months ended September 30, 2000			
Revenue	269,172	52,538	21,099
Operating expenses	224,425	55,349	24,701
Operating earnings before:	44,747	(2,811)	(3,602)
Depreciation and amortization	9,446	720	612
Earnings before interest, income taxes and amortization of goodwill	35,301	(3,531)	(4,214)
Total assets	597,729	207,469	95,095
As at and for the twelve months ended September 30, 2001			
Revenue	1,300,258	232,655	86,850
Operating expenses	1,031,041	235,587	89,110

Operating earnings before:	269,217	(2,932)	(2,260)
Depreciation and amortization	58,585	4,072	2,133
<hr/>			
Earnings before interest, income			
taxes and amortization of			
goodwill	210,632	(7,004)	(4,393)
<hr/>			
Total assets	971,154	806,173	240,710
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As at and for the twelve months
ended September 30, 2000

Revenue	1,127,715	215,442	179,531
Operating expenses	943,612	207,104	165,543
<hr/>			
Operating earnings before:	184,103	8,338	13,988
Depreciation and amortization	41,023	4,009	2,046
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Earnings before interest, income			
taxes and amortization of			
goodwill	143,080	4,329	11,942
<hr/>			
Total assets	597,729	207,469	95,095
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As at and for the three months
ended September 30, 2001

	Corporate	Intersegment	Total
	expenses and	elimination	
	programs		
	\$	\$	\$
Revenue	-	(11,447)	469,018
Operating expenses	8,164	(11,447)	396,388
<hr/>			
Operating earnings before:	(8,164)	-	72,630
Depreciation and amortization	330	-	22,160
<hr/>			
Earnings before interest, income			
taxes and amortization of			
goodwill	(8,494)	-	50,470
<hr/>			
Total assets	44,756	-	2,062,793

As at and for the three months
ended September 30, 2000

Revenue	-	(22,708)	320,101
Operating expenses	13,513	(22,708)	295,280
<hr/>			
Operating earnings before:	(13,513)	-	24,821
Depreciation and amortization	313	-	11,091
<hr/>			
Earnings before interest, income			
taxes and amortization of			
goodwill	(13,826)	-	13,730
<hr/>			
Total assets	28,262	-	928,555

As at and for the twelve months
ended September 30, 2001

Revenue	-	(38,448)	1,581,315
Operating expenses	34,405	(38,448)	1,351,695
<hr/>			
Operating earnings before:	(34,405)	-	229,620
Depreciation and amortization	1,206	-	65,996
<hr/>			
Earnings before interest, income			
taxes and amortization of			
goodwill	(35,611)	-	163,624
<hr/>			
Total assets	44,756	-	2,062,793

As at and for the twelve months
ended September 30, 2000

Revenue	-	(86,680)	1,436,008
Operating expenses	34,732	(86,680)	1,264,311
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Operating earnings before:	(34,732)	-	171,697
Depreciation and amortization	1,300	-	48,378
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Earnings before interest, income			
taxes and amortization of			
goodwill	(36,032)	-	123,319

Total assets	28,262	-	928,555
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NOTE 5 - SUBSEQUENT EVENT

On October 1, 2001, the Company signed a strategic outsourcing alliance providing IT support services for Fireman's Fund Insurance Company ("Fireman") operations. In the context of this agreement, the Company acquired the related assets and assumed liabilities of Fireman used in their IT operations for a total consideration of \$38.1 million. This transaction was accounted for using the purchase method.

NOTE 6 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform to the presentation adopted in 2001.

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