CGI GROUP INC
Form 6-K
November 07, 2001

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

For the month of November 2001.

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

1130 Sherbrooke Street West
5th Floor
Montreal, Quebec
Canada H3A 2M8
(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F   Form 40-F |X|

(Indicate by check mark whether the registrant by furnishing 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.)

Yes   No |X|

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-___.

Enclosure: Fourth quarter report of fiscal 2001 - November 6, 2001

This Form 6-K shall be deemed incorporated by reference in the Registrant's Registration Statement on Form S-8, Reg. No. 333-9106, 333-13350 and 333-66044.

FOR IMMEDIATE RELEASE

CGI reports continuing strong revenue and earnings growth in fourth quarter of fiscal 2001

Montreal, November 6, 2001 - CGI Group Inc. (NYSE: GIB; TSE: GIB.A), a leading provider of end-to-end information technology services and business solutions, today reported unaudited results for the fourth quarter and audited results for the year ended September 30, 2001. All figures are in Canadian dollars unless otherwise indicated.

Fourth Quarter Highlights

- Revenue of $469.0 million represented 46.5% growth over the comparable period one year ago and 16.1% quarterly sequential growth. Organic growth was 13.8% year-over-year
- Cash net earnings per share (earnings before amortization of goodwill) were $0.08, 166% higher than the $0.03 posted for the same period a year ago
- Operating cash flow was up 43.5% to $75.6 million
- Announced several major or strategic outsourcing, systems integration and consulting contracts, as well as contract renewals, totalling more than $900 million for periods of up to 10 years
- Backlog of signed contracts increased to $9.3 billion, or 5.9 times FY2001 annual revenue, from $8.5 billion as at June 30, 2001 and $7.0 billion at the same time last year. Contracts in the backlog have a weighted average remaining contract term of 7.3 years

In millions of $ except per share amount	3 months ended 9/30/01 US$	3 months ended 9/30/01 CDN$	3 months ended 9/30/00 CDN$	3 months ended 6/30/01 CDN$
Revenue	$ 303.9	$ 469.0	$ 320.1	$ 404.1
EBITDA	$ 47.5	$ 72.6	$ 24.8	$ 61.1
Cash net earnings	$ 17.6	$ 27.3	$ 7.1	$ 24.3
Per share	$ 0.05	$ 0.08	$ 0.03	$ 0.08
Order backlog	$ 6,000	$ 9,300	$ 7,000	$ 8,500

Note: US dollar information in this chart is provided for comparison purposes only and represents amounts accounted for according to Canadian GAAP. The average exchange rate of 1.54 was used for the three-month period ended September 30, 2001.

"This was a great quarter for CGI in many ways," said Serge Godin, chairman and CEO. In addition to double-digit year over year and sequential revenue growth, we achieved a number of other business and financial objectives. The growth we realized in IT outsourcing, represented by some key contract and partnership wins in the quarter, and a backlog of $9.3 billion, further increase our revenue visibility. Moreover, our sales pipeline has never been stronger, filled with numerous opportunities in Canada and, more importantly, in the US."

Fourth Quarter Results

Revenue for the fourth quarter ended September 30, 2001 increased 47% to $469.0 million, from $320.1 million in the same quarter last year, and was up 16.1% sequentially over third quarter revenue of $404.1 million. The significant improvement in year-over-year revenue growth was due primarily to business acquisitions as well as continuing strong demand for outsourcing services, across all geographic areas, but especially in Canada.

Based on CGI's current revenue run-rate, revenue from long-term outsourcing contracts represents 69% of the Company's total revenue, including 10% from business process services outsourcing; while project oriented consulting and systems integration work represents 31%. Geographically, contribution to revenue from Canada was higher in the fourth quarter, representing 73% of revenue, driven in part by several recent large outsourcing contract wins. Revenue from the US represented 19%; and all other regions, 8%. CGI continued to solidify its leading position as an IT services provider in the financial services sector, which represented 41% of revenue in the fourth quarter, while telecom represented 29%; manufacturing, retail and distribution, 17%; government, 10%; utilities and services, 2%; and healthcare, 1%.

EBITDA for the fourth quarter increased 192.7% to $72.6 million, compared with $24.8 million in the same quarter a year ago, and was up 18.8% sequentially, from $61.1 million reported in the third quarter of fiscal 2001. The EBITDA margin improved to 15.5% at the end of the fourth quarter, compared with 15.1% at the end of the third quarter of fiscal 2001 and 12.0% at the end of fiscal 2000.

Cash net earnings in the quarter increased 284% to $27.3 million, compared with $7.1 million in the same quarter a year ago, and were 12.2% higher sequentially compared with $24.3 million reported in the third quarter of fiscal 2001. Cash net earnings per share of $0.08 for the quarter were up 167% over $0.03 reported for the fourth quarter of fiscal 2000. Cash net earnings per share on a diluted basis were unchanged from the third quarter of fiscal 2001, after accounting for a 18.5% increase in weighted shares outstanding in the fourth quarter.

Net earnings in the fourth quarter of fiscal 2001 were $19.8 million, up 719% over the same period in the prior year, and up 14.3% sequentially over the $17.3 million reported in this year's third fiscal quarter. The net margin was 4.2%, compared with 4.3% in the third quarter and 0.8% in the fourth quarter of fiscal 2000.

CGI maintains a strong balance sheet and cash position, which together with bank lines are sufficient to support the Company's growth strategy and represent a competitive strength when proposing on outsourcing contracts. At September 30, 2001, the total credit facility available amounted to approximately $225 million. As of September 30, 2001, CGI had cash and cash equivalents of $46.0 million, compared with $49.3 million as of September 30, 2000.

Operating cash flow in the fourth quarter amounted to $75.6 million, compared with $20.6 million in the fourth quarter a year ago and $52.7 million in the third quarter of fiscal 2001. The improvement in operating cash flow reflects mostly the improvement in net earnings and future income taxes.

The integration of IMRglobal is proceeding as expected. CGI's increased presence, especially in the US, has strengthened its capability to propose on large outsourcing contracts and gain market share. The recently integrated marketing and business development teams have ramped up sales development efforts, capitalizing on long-standing client relationships and the expanded service and delivery capabilities.

Fiscal Year 2001 Audited Results

Revenue for the year ended September 30, 2001 was $1.58 billion, up 10.1% from revenue of $1.43 billion for the 2000 fiscal year. Revenue growth accelerated during the year, driven primarily by business acquisitions, as well as several large outsourcing contract wins.

Cash net earnings per share were $0.30, up 11.1% over fiscal year 2000 results of $0.27.

At September 30, 2001 CGI employed approximately 13,000 people in more than 20 countries around the world. Through ten acquisitions, investments in four joint venture companies and several large new outsourcing contracts, CGI successfully integrated more than 5,000 members in fiscal year 2001.

Regarding CGI's annual results Mr. Godin commented, "We are pleased with the increasing momentum of our business during fiscal year 2001. Over the last year, CGI has closed over $4 billion in new contract wins and renewals. Year-over-year revenue growth in our third and fourth quarters of 22.2% and 46.5% respectively signals our return to strong growth trends. Organic growth, year-over-year, of 3.6% in the third quarter and 13.8% in the fourth quarter also demonstrates our emphasis on internal growth initiatives."

Backlog and Pipeline

The current backlog of signed contracts not yet delivered is $9.3 billion, or 5.9 times FY2001 annual revenue, with a weighted average time remaining of 7.3 years. CGI conservatively estimates its pipeline of proposals for large outsourcing contracts being reviewed by potential clients to be at $5 billion, up from $4 billion as stated during all of fiscal 2001. A large portion of this increase is driven by increased activity in Canada and in the US. Importantly, none of the deals in the sales pipeline have been cancelled in the last six months, despite more challenging economic conditions.

Initiatives and Outlook

Mr. Godin added: "Our growth initiatives for FY2002 will capitalize on our core fundamentals and the excellent results we achieved in FY2001. Our pipeline of outsourcing contracts is more robust than ever, as organizations focus on ways to reduce their IT costs while maintaining their competitive position. Key to our growth will be an enhanced business development program to drive accelerated organic growth and a continued focus on identifying acquisitions that bring value to CGI."

Based on the information known today about current market conditions and demand, the company provides the following guidance for its fiscal year ending September 30, 2002:

- Base revenue for the year is expected to be between $2.1 billion and $2.2 billion, representing between 33% and 39% growth over fiscal 2001 results. These numbers do not include any contribution from potential large acquisitions or large outsourcing contract wins valued at more than $50 million per year.
- Cash net earnings per share, which going forward will be referred to as net earnings, should be in the range of $0.37 and $0.40, representing between 23% and 33% growth year-over-year.

In the first quarter ended December 31, 2001, revenue is expected to total between $505 and $520 million, representing between 51% and 56% year over year growth. Cash earnings per share are expected to be between $0.07 and $0.08 on a diluted basis.

Quarterly Conference Call

A conference call for the investment community will be held today, November 6, 2001 at 11:00 am (Eastern Daylight Time). Participants may access the call by dialing 800-550-7368. A live audio webcast of the conference call, with accompanying slides, will be available at CGI's website, www.cgi.ca. For those unable to participate, a replay will be available until November 22 by dialing (800) 558-5253, access number 19779536.

Forward-Looking Statements

All statements in this press release and MD&A that do not directly and exclusively relate to historical facts constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements represent CGI Group Inc.'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.

These factors include and are not restricted to the timing and size of contracts, acquisitions and other corporate developments; the ability to attract and retain qualified employees; market competition in the rapidly-evolving information technology industry; general economic and business conditions, foreign exchange and other risks identified in the Management's Discussion and Analysis (MD&A) in CGI Group Inc.'s Annual Report or Form 40F filed with the SEC, the Company's Annual Information Form filed with the Canadian securities commissions, on the Registration Statement on Form F-4 filed with the SEC in connection with the acquisition of IMRglobal and with the Forms 10-K and 10-Q of IMRglobal filed with the SEC for the periods ended December 31, 2000 and March 31, 2001 respectively. All of the risk factors included in these filed documents are included here by reference. CGI disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Financial Statements Follow

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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 ended September 30, 2001	Three months ended September 30, 2000
	$	$
Revenue	469,018	320,101
Operating expenses		
Costs of services, selling and administrative expenses	392,684	293,030
Research	3,704	2,250
	396,388	295,280
Operating earnings before:	72,630	24,821
Depreciation and amortization of fixed assets	9,523	5,698
Amortization of contract costs	12,637	5,393
	22,160	11,091
Earnings before the following items	50,470	13,730
Interest		
Long-term debt	(1,258)	(946)
Other	(233)	52
Income	800	810

	(691)	(84)
Earnings before income taxes, entity subject to significant influence and amortization of goodwill	49,779	13,646
Income taxes	22,507	6,553
Earnings before entity subject to significant influence and amortization of goodwill	27,272	7,093
Entity subject to significant influence	-	-
Earnings before amortization of goodwill	27,272	7,093
Amortization of goodwill, net of income taxes	7,451	4,674
Net earnings	19,821	2,419
Weighted average number of outstanding Class A subordinate shares and Class B shares	343,593,521	272,041,480
Basic and diluted earnings before amortization of goodwill per share (Note 1)	0.08	0.03
Basic earnings per share (Note 1)	0.06	0.01
Diluted earnings per share (Note 1)	0.06	0.01

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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
	$	$
Retained earnings, beginning of period, as previously reported	226,124	180,737
Adjustment for change in accounting policy	-	-
Retained earnings, beginning of period, as restated	226,124	180,737
Net earnings	19,821	2,419
Retained earnings, end of period	245,945	183,156

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CGI Group Inc.
Consolidated balance sheets
(in thousands of Canadian dollars) (unaudited)

	As at Sep
Assets	
Current assets	
Cash and cash equivalents	
Accounts receivable	
Income taxes	
Work in progress	
Prepaid expenses and other current assets	
Future income taxes	
Investment in an entity subject to significant influence	
Fixed assets	
Contract costs and other long-term assets	
Future income taxes	
Goodwill	
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	
Deferred revenue	
Future income taxes	
Current portion of long-term debt	
Future income taxes	
Long-term debt	
Deferred credits	
Shareholders' equity	
Capital stock (Note 2)	
Contributed surplus	
Warrants (Note 2)	
Retained earnings	
Foreign currency translation adjustment	

CGI Group Inc.
Consolidated statements of cash flows
(in thousands of Canadian dollars) (unaudited)

	Three months ended September 30, 2001	2000
	$	$
Operating activities		
Net earnings	19,821	2,419
Adjustments for:		
Depreciation and amortization of fixed assets	9,523	5,698
Loss on disposal of fixed assets	-	509
Amortization of contract costs and other long-term assets	12,637	5,393
Amortization of goodwill	7,807	4,993
Future income taxes	26,166	1,516
Foreign exchange loss (gain)	(396)	86
Entity subject to significant influence	-	-
	75,558	20,614
Changes in non-cash operating working capital items:		
Accounts receivable	(29,176)	5,620
Work in progress	(11,314)	23,565
Prepaid expenses and other current assets	11,447	6,684
Accounts payable and accrued liabilities	(17,558)	(15,546)
Income taxes	2,511	(6,975)
Deferred revenue	(15,834)	3,075
	(59,924)	16,423
Cash provided by operating activities	15,634	37,037
Financing activities		
Net variation of credit facility	(30,000)	-
Reduction of other long-term debts	(51,093)	(1,147)
Issuance of shares	53,716	434
Cash used for financing activities	(27,377)	(713)
Investing activities		
Business acquisitions (net of cash) (Note 3)	22,399	(15,503)
Investment in an entity subject to significant influence	-	-
Purchase of fixed assets	(2,966)	(5,650)
Proceeds from sale of fixed assets	1,270	11
Contract costs and other long-term assets	(12,375)	516
Cash provided by (used for) investing activities	8,328	(20,626)

Foreign exchange (loss) gain on cash held in foreign

currencies	(3,891)	352
Net (decrease) increase in cash and cash equivalents	(7,306)	16,050
Cash and cash equivalents at beginning of period	53,314	33,291
Cash and cash equivalents to end of period	46,008	49,341
Interest paid	552	894
Income taxes paid and received	10,100	13,629

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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 (numerator)
	$		$	$
Net earnings available to common shareholders	19,821	343,593,521	0.06	2,419
Dilutive options		2,202,589		

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

Dilutive warrants		981,267		
Net earnings available to common shareholders and assumed conversions	19,821	346,777,377	0.06	2,419

	Twelve months ended September 30			
	2001			
	Net earnings (numerator)	Number of shares (denominator)	Per share amount	Net earnings (numerator)
	$		$	$
Net earnings available to common shareholders	62,789	299,500,350	0.21	55,666
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	55,666

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.

Note 2 - Capital Stock and Warrants (cont'd)

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
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
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 occured 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		Class A subor
	Number	Amount	Number	Amount	Number
		$		$	
Balance, beginning of period	240,755,667	490,645	34,846,526	1,162	233,887,974
Issued for cash					287,914
Issued as consideration for business acquisitions	85,835,178	651,010	5,953,248	53,043	5,626,369
Fair value of options issued as consideration for business acquisitions	-	16,519	-	-	-
Options exercised	441,872	1,163	-	-	953,410
Balance, end of period	327,032,717	1,159,337	40,799,774	54,205	240,755,667

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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CGI Group Inc.
Notes to the consolidated financial statements
(tabular amounts only are in thousands of Canadian dollars)(unaudited)

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 Confederation des Caisses Populaires et d'Economie Desjardins du Quebec ("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 shares of the Company. Total consideration included $68,000,000 for integration costs and professionnal fees. The IMR purchase price allocation shown below is preliminary and is based on the Company estimates pending the completion of valuation studies with the use of external advisors. The final allocation is expected to be completed within twelve months from the acquisition date and may result in the purchase price being allocated to other identifiable intangible assets besides goodwill which will be amortized over their respective estimated useful lives. On August 7, 2001, the Company acquired all of the outstanding shares of Loyaltech and, on August 27, 2001, the Company signed a joint venture agreement with former

Digital 4Sight management. The Company accounts for its 49.0% interest in Digital 4Sight using the proportionate consolidation method. On September 10, 2001, the Company acquired all the outstanding shares of EPC.

For business combinations that occurred after June 30, 2001, the Company did not amortize the resulting goodwill as it is provided in the transition recommendations in CICA sections 1581, Business Combinations, and 3062, Goodwill and Other Intangible Assets.

These acquisitions were accounted for using the purchase method, as follows:

	IMR	Star Data	Desjardins	AGTI
	$	$	$	$
Non-cash working capital items	(62,558)	(18,391)	21,381	2,216
Fixed assets	42,095	21,211	3,612	448
Contract costs and other long-term assets	22,346	9,203	111,986	-
Future income taxes	7,537	15,716	(6,685)	10
Goodwill	578,525	73,060	9,549	14,602
Long-term debt	(53,988)	(10,799)	-	-
Deffered credits	(7,609)	-	(67,627)	-
	526,348	90,000	72,216	17,276
Cash position at acquisition	26,485	12,820	-	7,639
	552,833	102,820	72,216	24,915
Consideration				
Cash	-	-	57,945	24,915
Issuance of 85,835,178 Class A subordinate shares	536,314	102,820	-	-
Issuance of 8,424,502 options to acquire Class A subordinate	16,519	-	-	-
4,000,000 warrants at fair value	-	-	14,271	-
Equity value of CIA investment at acquisition date	-	-	-	-
	552,833	102,820	72,216	24,915

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CGI Group Inc.
Notes to the consolidated financial statements
(tabular amounts only are in thousands of Canadian dollars)(unaudited)

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	Corporate expenses and programs
	$	$	$	$

Revenue	367,582	80,454	32,429	-
Operating expenses	288,409	78,713	32,549	8,164
Operating earnings before:	79,173	1,741	(120)	(8,164)
Depreciation and amortization	19,275	1,604	951	330
Earnings before interest, income taxes and amortization of goodwill	59,898	137	(1,071)	(8,494)
Total assets	971,154	806,173	240,710	44,756
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	13,513
Operating earnings before:	44,747	(2,811)	(3,602)	(13,513)
Depreciation and amortization	9,446	720	612	313
Earnings before interest, income taxes and amortization of goodwill	35,301	(3,531)	(4,214)	(13,826)
Total assets	597,729	207,469	95,095	28,262
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	34,405
Operating earnings before:	269,217	(2,932)	(2,260)	(34,405)
Depreciation and amortization	58,585	4,072	2,133	1,206
Earnings before interest, income taxes and amortization of goodwill	210,632	(7,004)	(4,393)	(35,611)
Total assets	971,154	806,173	240,710	44,756
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	34,732
Operating earnings before:	184,103	8,338	13,988	(34,732)
Depreciation and amortization	41,023	4,009	2,046	1,300
Earnings before interest, income taxes and amortization of goodwill	143,080	4,329	11,942	(36,032)
Total assets	597,729	207,469	95,095	28,262

CGI Group Inc.
Notes to the consolidated financial statements
(tabular amounts only are in thousands of Canadian dollars)(unaudited)

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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CGI GROUP INC.
(Registrant)

Date: November 6, 2001

By /s/ Paule Dore
Name: Paule Dore
Title: Executive Vice President
and Chief Corporate Officer
and Secretary