

CGI GROUP INC
Form 40-F
December 23, 2010

**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

Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended September 30, 2010
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
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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:

Annual Information Form

Audited Annual Financial Statements

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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: 237,684,791 Class A Subordinate Shares, 33,608,159 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 No

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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or such shorter period that the Registrant was required to submit and post such files). Yes 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, 2010. 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, 2010 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. Claude Boivin, Richard B. Evans and Gilles Labbé.

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:

- Gilles Labbé, 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, 2010 and September 30, 2009, CGI paid the following fees to its external auditors:

Service retained	Fees paid	
	2010 ^(a)	2009 ^(b)
Audit fees	\$2,594,000	\$3,152,914
Audit related fees ^(c)	\$ 482,061	\$2,676,048
Tax fees ^(d)	\$ 108,380	\$ 173,697
All other fees ^(e)	\$ 4,989	
Total fees paid	\$3,189,430	\$6,002,659

- (a) The fees billed for the year ended September 30, 2010 were for services rendered by Ernst & Young LLP, the Company's current external auditors.
- (b) The fees billed for the year ended September 30, 2009 were for services rendered by Deloitte & Touche LLP, the Company's former external auditors.
- (c) The audit related fees billed by the external auditors for the year ended September 30, 2010 were in relation to service organization control procedures audits and assistance and International Financial Reporting Standards transition assistance, and those billed for the year ended September 30, 2009 were in relation to service organization control procedures audits, accounting consultations and employee benefit plan audits.
- (d)

The tax fees billed by the external auditors for the year ended September 30, 2010 were in relation to tax research and advisory services and those billed for the year ended September 30, 2009 were in relation to tax research and interpretation, support

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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.

- (e) The other fees billed by the external auditors for the year ended September 30, 2010 were in relation to government contract compliance services.

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>.

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.

Corporate Governance Practices

With the exception of the membership of the Committee which has one member who is not considered to be an independent director, CGI's corporate governance practices conform to those followed by U.S. domestic companies under the *New York Stock Exchange* listing standards.

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 25 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.

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Tabular Presentation of Contractual Obligations

As of September 30, 2010, the Registrant's known contractual obligations were as follows:

Contractual Obligations (in 000 of Canadian dollars)	Total	Payment due by period				After 5 years
		Less than 1 year	2nd and 3rd years	4th and 5th years		
Long-Term Debt Obligations	1,096,171	95,169	973,386	26,225	1,391	
Capital (Finance) Lease Obligations	57,705	19,408	27,764	9,038	1,495	
Operating Lease Obligations ⁽¹⁾	917,834	135,003	223,209	172,874	386,748	
Purchase Obligations	118,084	64,600	46,374	6,482	628	
Total	2,189,794	314,180	1,270,733	214,619	390,262	

(1) Included in these obligations are \$16.8 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, 2010
2. Audited Annual Financial Statements for the fiscal year ended September 30, 2010
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 Ernst & Young 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, 2010

December 13, 2010

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This *Annual Information Form* is dated December 13, 2010 and, unless specifically stated otherwise, all information disclosed in this form is provided as at September 30, 2010, 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, 2010, 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, 2010. Each subsidiary is 100% owned by its immediate parent company.

In addition to its principal operating subsidiaries, CGI has 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 13, 2010, 235,942,404 Class A subordinate voting shares and 33,608,159 Class B shares, were issued and outstanding. These shares represent respectively 41.2% and 58.8% 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 13, 2010 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 13, 2010 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 13, 2010, 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 224,260,187 Class A subordinate voting shares were traded on the *Toronto Stock Exchange* during the year ended September 30, 2010 as follows:

Month	High ^(a) (\$)	Low ^(a) (\$)	Volume
October 2009	13.90	12.07	21,680,326
November 2009	13.50	12.11	19,703,686
December 2009	14.78	13.02	14,982,923
January 2010	15.21	13.93	19,158,920
February 2010	15.24	13.86	14,671,557
March 2010	15.74	14.76	16,558,608
April 2010	15.64	14.64	17,893,843
May 2010	16.66	14.73	22,172,541
June 2010	16.80	15.77	20,097,411
July 2010	16.79	14.34	21,647,153
August 2010	15.33	14.38	13,714,616
September 2010	15.79	14.35	21,978,603

(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 January 27, 2010, 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, 2010 – Significant Developments* later in this document.

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*.

Audit Committee Information

The Company incorporates by reference the disclosure contained under the heading *Expertise and financial and operational literacy* on page 37 and the disclosure under the heading *Report of the Audit and Risk Management Committee* on page 46 and following of CGI's *Management Proxy Circular* dated December 13, 2010 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 13, and the table on board of directors committee membership on page 35 of CGI's *Management Proxy Circular* dated December 13, 2010 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
Benoit Dubé St-Lambert, Quebec Canada	Executive Vice-President and Chief Legal Officer
Julie Godin Verdun (Ile des soeurs), Quebec Canada	Senior Vice-President, Human Resources, Leadership & Organizational Development

Name and place of residence	Principal occupation
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
Eva Maglis Montreal, Quebec Canada	Senior Vice-President and General Manager
Claude Marcoux Sainte-Foy, Quebec Canada	Senior Vice-President and General Manager
Doug McCuaig Toronto, Ontario Canada	President, Canada
Donna S. Morea Falls Church, Virginia USA	President, U.S., Europe and Asia
Luc Pinard St-Lambert, Quebec Canada	Executive Vice-President, Chief Technology and Quality Officer
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
Claude Séguin Montreal, Quebec Canada	Senior Vice-President, Corporate Development and Strategic Investments
George Schindler Fairfax, Virginia USA	President, CGI Federal
Nazzic Turner Oakton, Virginia USA	Senior Vice-President and General Manager

Benoit Dubé was appointed Executive Vice-President and Chief Legal Officer on June 4, 2010 and prior to his appointment was a Vice-President in the Company's law department. Prior to joining the Company in August of 2009, Julie Godin was President of *Oxygène Santé Corporative Inc.*, which was acquired by the Company on August 13, 2009. Ms. Godin joined CGI with the title Administrative Vice-President. She was appointed an officer of the

Company on July 26, 2010 and was appointed Senior Vice-President, Human Resources, Leadership & Organizational Development October 1, 2010. Eva Maglis was appointed as an officer of the Company on July 26, 2010 and became responsible, in her capacity as Senior Vice-President and General Manager, for CGI's Global Infrastructure Services, Solutions & Consulting on October 1, 2010. Prior to his appointment as President, Canada on June 4, 2010, Doug McCuaig was Senior Vice-President. He was appointed as an officer of the Company on July 26, 2010. Claude Marcoux, George Schindler and Nazzic Turner were also appointed by the Board of Directors as officers of the Company on July 26, 2010. Except as noted above, all of the officers named in the table have either 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.

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 5 of CGI's *Management Proxy Circular* dated December 13, 2010 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 as Appendix A, and are posted on the Company's web site at www.cgi.com.

Business Structure

The Company's activities are divided in the following segments: (i) Canada, (ii) U.S. and India (collectively U.S.), and (iii) Europe and Asia Pacific (collectively Europe).

The following table shows the revenues for each of the segments in 2010 and 2009 as well as the related foreign currency impacts:

	<i>(In 000 of dollars)</i>	
Segment	2010	2009
Canada		
Before foreign currency impact	\$ 2,121,123	\$ 2,179,659
Foreign currency impact	(\$8,711)	
Canada revenue	\$ 2,112,412	\$ 2,179,659
U.S.		
Before foreign currency impact	\$ 1,588,746	\$ 1,361,787
Foreign currency impact	(\$188,347)	
U.S. revenue	\$ 1,400,399	\$ 1,361,787
Europe		
Before foreign currency impact	245,522	\$ 283,715
Foreign currency impact	(\$26,216)	
Europe revenue	\$ 219,306	\$ 283,715
Total	\$ 3,732,117	\$ 3,825,161

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, CGI has an extensive solutions portfolio of more than 100 solutions that contribute value to our application services offering, including the following:

Momentum is an integrated enterprise resource planning suite with over 100 installations across the three branches of the U.S. federal government, including 16 agencies subject to the *Chief Financial Officer and Federal Financial Reform Act of 1990*.

CGI's AMS Advantage is an enterprise resource planning suite that 25 U.S. state governments rely on to support financial management.

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 our clients 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 vertical markets (verticals) where we have developed extensive and deep subject matter expertise. This allows us to fully understand our clients business realities and to provide them with solutions that help them achieve their business goals. Our targeted verticals include: a) government and healthcare helping organizations improve the performance of mission-critical functions through the innovative use of information technology; b) financial services helping clients grow and increase profitability by adopting solutions that support integrated customer-focused operations; c) telecommunications and utilities helping providers deliver new revenue streams while improving productivity and client service; d) retail and distribution establishing flexible and customer-centered operating models that help clients lower costs and increase profitability; and e) manufacturing helping clients leverage information technology to better manage the entire product lifecycle.

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.

Human Resources

As of December 13, 2010, CGI had approximately 31,000 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 in more than 125 offices. More than 5,500 members representing approximately 20% of CGI's global workforce serve the Company's clients from global delivery centers located on three continents. 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 pages 20 and 21 of the business booklet of CGI's *Annual Report* for fiscal 2010 entitled *Thank You*, which information is incorporated by referen