



News Release

Readers are referred to the disclaimer regarding Forward-Looking Statements, Non-IFRS Financial Measures and Additional IFRS Measures at the end of this Release.

IGM FINANCIAL INC. REPORTS FOURTH QUARTER AND 2015 EARNINGS

Winnipeg – February 12, 2016: IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the fourth quarter of 2015 and for the year ended December 31, 2015.

Operating earnings available to common shareholders, excluding other items,¹ for the three months ended December 31, 2015 were \$198.2 million or 81 cents per share compared to operating earnings available to common shareholders, excluding other items,² of \$208.1 million or 83 cents per share in 2014.

Net earnings available to common shareholders for the three months ended December 31, 2015 were \$173.9 million or 71 cents per share compared to net earnings available to common shareholders of \$148.9 million or 59 cents per share for the comparative period in 2014.

Operating earnings available to common shareholders, excluding other items,¹ for the year ended December 31, 2015 were \$796.0 million or \$3.21 per share compared to operating earnings available to common shareholders, excluding other items,² of \$826.1 million or \$3.27 per share in 2014.

Net earnings available to common shareholders for the year ended December 31, 2015 were \$771.7 million or \$3.11 per share compared to net earnings available to common shareholders of \$753.3 million or \$2.98 per share for the comparative period in 2014.

Revenues for the three months ended December 31, 2015 were \$752.1 million compared to \$742.1 million a year ago. Revenues for the year ended December 31, 2015 were \$3.03 billion compared to \$2.93 billion a year ago. Expenses were \$532.6 million for the fourth quarter of 2015 compared to \$557.0

¹ Other items for the three and twelve months ended December 31, 2015 consisted of an after-tax charge of \$24.3 million for restructuring and other charges, which primarily reflects severance and payments to third parties related to exiting certain investment management activities and third party back office relationships. The largest components of these activities relate to:

- Mackenzie - closing the investment management office in Singapore as well as implementing other personnel changes in order to redeploy resources towards other corporate priorities, which management believes will provide greater benefits to Mackenzie over time.
- Investors Group - introducing a new in-house dealer platform for nominee accounts and exiting its current relationship with its third party carrying broker. This new platform will enhance the service experience to Consultants and clients and is intended to achieve efficiencies over the long-term.

² Other items for the three and twelve months ended December 31, 2014 consisted of an after-tax charge of \$59.2 million related to distributions to clients, as well as other costs. In the third quarter of 2012, Investors Group introduced investment solutions for clients with household investments in Investors Group funds in excess of \$500,000. This after-tax charge primarily reflects distributions to clients who did not transfer to these lower-priced solutions when eligible.

Other items for the year ended December 31, 2014 also included an after-tax charge of \$13.6 million related to restructuring and other charges.



million a year ago and \$2.04 billion for the year ended December 31, 2015 compared to \$1.96 billion a year ago.

Total assets under management at December 31, 2015 were \$133.6 billion compared to \$141.9 billion at December 31, 2014. Mutual fund assets under management at December 31, 2015 were \$127.5 billion compared to \$126.0 billion at December 31, 2014.

Shareholders' equity at December 31, 2015 was \$4.8 billion, unchanged from December 31, 2014. Return on average common equity based on operating earnings for the year ended December 31, 2015 was 17.0% compared to 17.8% for the comparative period in 2014.

INVESTORS GROUP OPERATIONS

“The growth in our Consultant Network continued in the quarter, reaching an all-time high of 5,320,” said Murray J. Taylor, President and Chief Executive Officer of Investors Group Inc. “Mutual fund sales for the year also reached a record high of \$7.9 billion.”

Mutual fund sales for the fourth quarter of 2015 were \$1.8 billion, consistent with the prior year. Mutual funds sales were equal to redemptions for the fourth quarter of 2015 and compared to net sales of \$194 million a year ago.

Mutual fund sales for the year ended December 31, 2015 were \$7.9 billion, an increase of 5.7% compared to \$7.5 billion in the prior year, and mutual fund net sales were \$754 million compared to net sales of \$651 million a year ago.

The twelve month trailing redemption rate (excluding money market funds) was 8.7% at December 31, 2015, unchanged from December 31, 2014.

Mutual fund assets under management at December 31, 2015 were \$74.9 billion compared to \$73.5 billion at December 31, 2014.

MACKENZIE OPERATIONS

Mutual fund sales for the fourth quarter of 2015 were \$1.7 billion compared to \$1.6 billion in the prior year. Mutual fund net redemptions for the fourth quarter were \$427 million compared to net redemptions of \$471 million a year ago.³

Mutual fund sales for the year ended December 31, 2015 were \$7.0 billion compared to \$7.1 billion in the prior year. Mutual fund net redemptions were \$1.3 billion compared to net redemptions of \$209 million a year ago.³

Total net redemptions for the fourth quarter of 2015 were \$366 million compared to total net sales of \$148 million a year ago. Total net redemptions for the year ended December 31, 2015 were \$10.6 billion compared to total net sales of \$1.2 billion a year ago. Excluding rebalance activities,^{3,4} total net

³ During 2015, third party programs which include Mackenzie mutual funds made fund allocation changes which resulted in net redemptions of \$239 million for the fourth quarter and net redemptions of \$695 million for the year ended December 31.

During 2014, third party programs which include Mackenzie mutual funds made fund allocation changes which resulted in net redemptions of \$222 million for the fourth quarter and for the year ended December 31.

redemptions for the fourth quarter of 2015 were \$127 million compared to total net sales of \$16 million a year ago and total net sales for the year ended December 31, 2015 were \$400 million compared to total net sales of \$1.1 billion a year ago.

“Mutual fund gross and net sales improved during the quarter, with gross sales up 6% over the prior year,” said Jeffrey R. Carney, President and Chief Executive Officer of Mackenzie Financial Corporation. “The strength of gross sales in the quarter was led by solid performance in the global equity category, which saw a sales increase of 42%, and was also supported by the launch of the Mackenzie Diversified Alternatives Fund.”

Mackenzie’s total assets under management at December 31, 2015 were \$61.7 billion compared to \$70.9 billion at December 31, 2014. Mutual fund assets under management at December 31, 2015 were \$48.4 billion compared to \$48.8 billion a year ago.

DIVIDENDS

The Board of Directors has declared a dividend of 56.25 cents per share on the Company’s common shares and has declared a dividend of \$0.36875 per share on the Company’s 5.90% Non-Cumulative First Preferred Shares, Series “B”. The common share dividend is payable on April 29, 2016 to shareholders of record on March 31, 2016. The preferred share dividend is payable on May 2, 2016 to shareholders of record on March 31, 2016.

FORWARD-LOOKING STATEMENTS

Certain statements in this Release, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect IGM Financial’s current expectations. Forward-looking statements are provided to assist the reader in understanding the Company’s financial position and results of operations as at and for the periods ended on certain dates and to present information about management’s current expectations and plans relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Company, as well as the outlook for North American and international economies, for the current fiscal year and subsequent periods. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects”, “anticipates”, “plans”, “believes”, “estimates”, “seeks”, “intends”, “targets”, “projects”, “forecasts” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may”, “will”, “should”, “would” and “could”.

This information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking statements, including the perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances. While the Company considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved.

⁴ During the year ended December 31, 2015, MD Financial Management (“MD”) re-assigned sub-advisory responsibilities on four fixed income mandates (totalling \$10.3 billion) advised by Mackenzie. The impact on Mackenzie’s pre-tax earnings from these mandate changes is not meaningful. Following the changes, Mackenzie continues to advise MD on a number of fixed income, balanced and equity mandates.

During 2014, there were tactical rebalances by an institutional client that resulted in net sales of \$354 million for the fourth quarter and net sales of \$389 million for the year ended December 31 into separately managed account investment mandates advised by Mackenzie.

A variety of material factors, many of which are beyond the Company's and its subsidiaries' control, affect the operations, performance and results of the Company, and its subsidiaries, and their businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, management of market liquidity and funding risks, changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates), the effect of applying future accounting changes, operational and reputational risks, business competition, technological change, changes in government regulations and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, the Company's ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Company's and its subsidiaries' success in anticipating and managing the foregoing factors.

The reader is cautioned that the foregoing list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not place undue reliance on forward-looking statements.

Other than as specifically required by applicable Canadian law, the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Additional information about the risks and uncertainties of the Company's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials filed with the securities regulatory authorities in Canada, available at www.sedar.com.

NON-IFRS FINANCIAL MEASURES AND ADDITIONAL IFRS MEASURES

This release contains non-IFRS financial measures and additional IFRS measures. Net earnings available to common shareholders, which is an additional measure in accordance with International Financial Reporting Standards (IFRS), may be subdivided into two components consisting of:

- *Operating earnings available to common shareholders; and*
- *Other items, which include the after-tax impact of any item that management considers to be of a non-recurring nature or that could make the period-over-period comparison of results from operations less meaningful.*

Terms by which non-IFRS financial measures are identified include but are not limited to "operating earnings available to common shareholders", "operating earnings per share", "operating return on average common equity" and other similar expressions used to provide management and investors with additional measures to assess earnings performance. However, non-IFRS financial measures do not have standard meanings prescribed by IFRS and are not directly comparable to similar measures used by other companies. Please refer to the attached Financial Highlights for the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS.

Terms by which additional IFRS measures are identified include "earnings before income taxes" and "net earnings available to common shareholders". Additional IFRS measures are used to provide management and investors with additional measures to assess earnings performance. These measures are considered additional IFRS measures as they are in addition to the minimum line items required by IFRS and are relevant to an understanding of the entity's financial performance.

The Consolidated Financial Statements and Management's Discussion and Analysis (MD&A) of operating results are available on IGM Financial Inc.'s website at www.igmfinancial.com.



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IGM Financial Inc. is one of Canada's premier personal financial services companies, and one of the country's largest managers and distributors of mutual funds and other managed asset products, with approximately \$131 billion in total assets under management as of January 31, 2016. Its activities are carried out principally through Investors Group, Mackenzie Financial Corporation and Investment Planning Counsel. IGM Financial Inc. is a member of the Power Financial Corporation group of companies.

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Media Note: A live webcast of IGM's Analyst conference call for the Fourth Quarter 2015 will be held on Friday February 12, 2016 at 2:30 P.M. (ET) at www.igmfinancial.com. Media and interested parties may alternatively choose to listen to the live analyst teleconference call by dialing **1-866-223-7781** or **416-340-2216**.

IGM FINANCIAL INC.**Consolidated Statements of Earnings**

<i>(unaudited)</i> <i>(in thousands of Canadian dollars,</i> <i>except shares and per share amounts)</i>	Three months ended December 31		Twelve months ended December 31	
	2015	2014	2015	2014
Revenues				
Management fees	\$ 501,313	\$ 507,370	\$ 2,036,234	\$ 2,014,086
Administration fees	104,737	100,706	417,563	397,235
Distribution fees	97,044	87,765	379,558	351,257
Net investment income and other	19,853	18,068	83,640	68,248
Proportionate share of affiliate's earnings	29,178	28,142	110,950	96,458
	752,125	742,051	3,027,945	2,927,284
Expenses				
Commission	264,357	253,972	1,062,069	992,673
Non-commission	245,023	279,755	882,969	877,496
Interest	23,201	23,239	92,115	92,152
	532,581	556,966	2,037,153	1,962,321
Earnings before income taxes	219,544	185,085	990,792	964,963
Income taxes	43,474	33,979	210,250	202,862
Net earnings	176,070	151,106	780,542	762,101
Perpetual preferred share dividends	2,212	2,212	8,850	8,850
Net earnings available to common shareholders	\$ 173,858	\$ 148,894	\$ 771,692	\$ 753,251
Average number of common shares (in thousands)				
- Basic	245,638	251,698	248,173	252,108
- Diluted	245,739	251,996	248,299	252,778
Earnings per share (in dollars)				
- Basic	\$ 0.71	\$ 0.59	\$ 3.11	\$ 2.99
- Diluted	\$ 0.71	\$ 0.59	\$ 3.11	\$ 2.98

Financial Highlights

(unaudited)	For the three months ended December 31			As at and for the twelve months ended December 31		
	2015	2014	Change	2015	2014	Change
Earnings available to						
common shareholders (\$ millions)						
Operating Earnings ⁽¹⁾	\$ 198.2	\$ 208.1	(4.8) %	\$ 796.0	\$ 826.1	(3.6) %
Net Earnings	173.9	148.9	16.8	771.7	753.3	2.4
Diluted earnings per share						
Operating Earnings ⁽¹⁾	0.81	0.83	(2.4)	3.21	3.27	(1.8)
Net Earnings	0.71	0.59	20.3	3.11	2.98	4.4
Return on equity						
Operating Earnings ⁽¹⁾				17.0%	17.8%	
Net Earnings				16.5%	16.2%	
Dividends per share	0.5625	0.5625	-	2.250	2.175	3.4
Total assets under management ⁽²⁾ (\$ millions)				\$ 133,648	\$ 141,919	(5.8) %
Investors Group						
Mutual funds				74,897	73,459	2.0
Mackenzie						
Mutual funds				48,445	48,782	
Sub-advisory, institutional and other accounts				13,208	22,094	
Total				61,653	70,876	(13.0)
Counsel						
Mutual funds				4,178	3,850	8.5
Mutual Funds and Institutional Sales (\$ millions)						
		Investors Group	Mackenzie	Counsel	Total ⁽³⁾	
For the three months ended December 31, 2015			Mutual Funds			
			Total			
Gross sales	\$ 1,821	\$ 1,652	\$ 2,593	\$ 203	\$ 4,164	
Net sales (redemptions)	-	(427)	(366)	42	(327)	
For the twelve months ended December 31, 2015						
Gross sales	\$ 7,890	\$ 6,965	\$ 11,938	\$ 741	\$ 17,902	
Net sales (redemptions)	754	(1,258)	(10,595)	177	(10,257)	

⁽¹⁾ Non-IFRS Financial Measures:

2015 operating earnings excluded:

- An after-tax charge of \$24.3 million, recorded in the fourth quarter, related to restructuring and other charges.

2014 operating earnings excluded:

- An after-tax charge of \$59.2 million, recorded in the fourth quarter, related to distributions to clients, as well as other costs. In the third quarter of 2012, Investors Group introduced investment solutions for clients with household investments in Investors Group funds in excess of \$500,000. This after-tax charge primarily reflects distributions to clients who did not transfer to these lower-priced solutions when eligible.
- An after-tax charge of \$13.6 million, recorded in the second quarter, related to restructuring and other charges.

⁽²⁾ Total assets under management excluded \$7.1 billion of assets sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel (\$6.3 billion at December 31, 2014).

⁽³⁾ Total Gross Sales and Net Sales for the three months ended December 31, 2015 excluded \$453 million and \$3 million, respectively, in accounts sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel. Total Gross Sales and Net Sales for the twelve months ended December 31, 2015 excluded \$2.7 billion and \$593 million, respectively, in accounts sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel.