

# Quarterly Review

## CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31 (\$ thousands, except per share amounts)	2003				2002			
	4	3	2	1	4	3	2	1
<b>Fee and net investment income</b>								
Management	\$ 341,836	\$ 330,119	\$ 313,830	\$ 310,329	\$ 321,713	\$ 332,413	\$ 366,024	\$ 359,773
Administration	72,339	70,433	70,116	73,889	74,259	74,580	70,724	75,758
Distribution	32,644	31,569	33,144	34,125	35,421	34,300	34,638	33,602
Net investment income and other	37,951	42,255	43,061	36,541	33,102	33,111	30,103	30,194
<b>Total fee and net investment income</b>	<b>484,770</b>	<b>474,376</b>	<b>460,151</b>	<b>454,884</b>	<b>464,495</b>	<b>474,404</b>	<b>501,489</b>	<b>499,327</b>
<b>Operating expenses</b>								
Commission expense	126,355	117,143	115,772	116,065	117,134	118,821	129,766	131,759
Non-commission expense	120,601	122,255	121,190	130,096	130,195	125,877	133,597	145,703
Interest expense	23,623	19,302	21,521	20,931	19,471	19,801	19,947	20,295
Restructuring (reversal) costs	(24,832)	–	–	–	–	–	–	–
<b>Total operating expenses</b>	<b>245,747</b>	<b>258,700</b>	<b>258,483</b>	<b>267,092</b>	<b>266,800</b>	<b>264,499</b>	<b>283,310</b>	<b>297,757</b>
	239,023	215,676	201,668	187,792	197,695	209,905	218,179	201,570
Dilution gain	–	14,820	–	–	–	–	–	–
Income before undernoted	239,023	230,496	201,668	187,792	197,695	209,905	218,179	201,570
Income taxes	99,286	69,899	67,143	62,870	76,693	78,486	82,100	80,122
	139,737	160,597	134,525	124,922	121,002	131,419	136,079	121,448
Discontinued operations	–	–	–	–	3,452	(1,576)	(329)	264
<b>Net income</b>	<b>139,737</b>	<b>160,597</b>	<b>134,525</b>	<b>124,922</b>	<b>124,454</b>	<b>129,843</b>	<b>135,750</b>	<b>121,712</b>
Preferred dividends	5,175	5,175	5,175	5,175	5,175	5,175	5,175	5,175
<b>Net income available to common shareholders</b>								
In accordance with GAAP	\$ 134,562	\$ 155,422	\$ 129,350	\$ 119,747	\$ 119,279	\$ 124,668	\$ 130,575	\$ 116,537
<b>Reconciliation of non-GAAP financial measures<sup>(1)</sup></b>								
<b>Net income available to common shareholders (non-GAAP)</b>	<b>\$ 143,864</b>	<b>\$ 140,602</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>
Dilution gain	–	14,820	–	–	–	–	–	–
Restructuring reversal (net of tax)	15,551	–	–	–	–	–	–	–
Non-cash income tax charge	(24,853)	–	–	–	–	–	–	–
<b>Net income available to common shareholders (GAAP)</b>	<b>\$ 134,562</b>	<b>\$ 155,422</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>
<b>Diluted earnings per share (€)</b>								
In accordance with GAAP	50.7	58.6	48.8	45.2	45.0	47.1	49.2	44.0
Excluding dilution gain, restructuring reversal related to Mackenzie and income tax charge <sup>(1)</sup>	54.2	53.0	–	–	–	–	–	–
<b>Dividends per share (€)</b>	<b>25.5</b>	<b>25.5</b>	<b>24.0</b>	<b>24.0</b>	<b>22.5</b>	<b>22.5</b>	<b>20.5</b>	<b>20.5</b>

## STATISTICAL DATA (\$ millions)

Mutual funds								
Investors Group								
Sales	\$ 998	\$ 888	\$ 914	\$ 1,221	\$ 965	\$ 964	\$ 1,256	\$ 1,731
Redemption rate (%) – total	12.8	13.9	13.9	13.4	12.6	11.7	11.2	11.1
– long-term funds	10.7	11.4	11.3	10.9	10.2	9.6	9.2	9.1
Net sales (redemptions)	(93)	(283)	(382)	(81)	(440)	(216)	(23)	570
Assets under management	40,904	38,448	37,594	35,655	37,588	36,423	39,921	43,080
Mackenzie Financial Corporation <sup>(2)</sup>								
Sales	1,618	1,124	1,041	1,499	1,320	1,177	1,672	1,829
Redemption rate (%) – total	17.3	17.3	17.6	17.9	17.6	17.7	17.2	17.5
– long-term funds	13.0	12.5	12.7	12.7	11.9	11.8	11.2	11.5
Net sales (redemptions)	189	(39)	(220)	1	11	(101)	137	241
Assets under management	33,770	31,498	30,271	28,762	30,860	30,037	32,464	34,707
<b>Combined assets under management</b>	<b>74,674</b>	<b>69,946</b>	<b>67,865</b>	<b>64,417</b>	<b>68,448</b>	<b>66,460</b>	<b>72,385</b>	<b>77,787</b>
<b>Insurance in force (face amount)</b>	<b>31,307</b>	<b>30,296</b>	<b>29,320</b>	<b>28,318</b>	<b>27,546</b>	<b>26,725</b>	<b>26,583</b>	<b>25,127</b>
Securities operations assets under administration								
	5,785	5,347	5,096	4,675	4,938	4,089	4,309	4,419
<b>Mortgages serviced</b>	<b>6,425</b>	<b>6,529</b>	<b>6,668</b>	<b>6,794</b>	<b>6,938</b>	<b>7,088</b>	<b>7,257</b>	<b>7,463</b>
<b>Deposits and certificates</b>	<b>729</b>	<b>714</b>	<b>738</b>	<b>759</b>	<b>709</b>	<b>700</b>	<b>699</b>	<b>681</b>
<b>Corporate assets</b>	<b>6,292</b>	<b>6,246</b>	<b>6,126</b>	<b>6,162</b>	<b>5,987</b>	<b>6,165</b>	<b>6,087</b>	<b>6,156</b>
<b>Consultants</b>	<b>3,223</b>	<b>3,192</b>	<b>3,186</b>	<b>3,246</b>	<b>3,324</b>	<b>3,266</b>	<b>3,321</b>	<b>3,361</b>

<sup>(1)</sup> Refer to page 23 of the MD&A for an explanation of the Company's use of non-GAAP financial measures. <sup>(2)</sup> For Canadian mutual fund operations only.