

# Quarterly Review

## CONSOLIDATED STATEMENTS OF INCOME

For the years ended December 31  
(\$ thousands except per share amounts)

	2005				2004			
	4	3	2	1	4	3	2	1
<b>Fee and net investment income</b>								
Management	\$ 427,109	\$ 420,516	\$ 406,462	\$ 390,650	\$ 383,190	\$ 371,686	\$ 371,701	\$ 365,080
Administration	78,029	74,481	75,396	79,485	71,588	74,228	75,768	78,028
Distribution	55,846	53,406	49,756	53,336	46,196	44,448	38,892	34,935
Net investment income and other	47,341	38,594	47,548	49,625	47,093	36,756	37,121	42,361
Total fee and net investment income	608,325	586,997	579,162	573,096	548,067	527,118	523,482	520,404
<b>Operating expenses</b>								
Commission expense	189,499	183,491	177,865	175,616	163,777	155,305	153,802	143,822
Non-commission expense	141,202	135,611	135,727	142,786	154,210	126,553	126,692	136,801
Interest expense	22,749	22,746	22,557	22,373	24,100	23,889	23,707	23,897
Total operating expenses	353,450	341,848	336,149	340,775	342,087	305,747	304,201	304,520
Income before undernoted	254,875	245,149	243,013	232,321	205,980	221,371	219,281	215,884
Income taxes	77,467	68,365	74,498	71,170	63,470	66,969	66,535	67,995
Income before non-controlling interest	177,408	176,784	168,515	161,151	142,510	154,402	152,746	147,889
Non-controlling interest	162	229	584	456	420	571	160	–
<b>Net income</b>								
In accordance with GAAP	\$ 177,246	\$ 176,555	\$ 167,931	\$ 160,695	\$ 142,090	\$ 153,831	\$ 152,586	\$ 147,889
<b>Reconciliation of non-GAAP financial measures<sup>(1)</sup></b>								
Adjusted net income (non-GAAP)	\$ 177,246	\$ 176,555	\$ 167,931	\$ 160,695	\$ 161,271	\$ 153,831	\$ 152,586	\$ 147,889
Unitholder compensation (net of tax)	–	–	–	–	(19,181)	–	–	–
<b>Net income (GAAP)</b>	<b>\$ 177,246</b>	<b>\$ 176,555</b>	<b>\$ 167,931</b>	<b>\$ 160,695</b>	<b>\$ 142,090</b>	<b>\$ 153,831</b>	<b>\$ 152,586</b>	<b>\$ 147,889</b>
<b>Diluted earnings per share<sup>(2)</sup></b>								
In accordance with GAAP	66	66	63	60	53	58	57	56
Adjusted earnings per share	66	66	63	60	61	58	57	56
Dividends per share <sup>(2)</sup>	34.5	34.5	32.25	32.25	30.0	30.0	27.5	27.5

## STATISTICAL DATA (\$ millions)

### Mutual funds

<b>Investors Group</b>								
Sales	\$ 1,377	\$ 1,205	\$ 1,254	\$ 1,652	\$ 1,102	\$ 995	\$ 1,064	\$ 1,561
Redemption rate (%) – total	10.0	10.4	10.5	10.5	10.6	10.7	11.2	12.0
– long-term funds	8.7	9.1	9.1	9.1	9.1	9.2	9.6	10.2
Net sales (redemptions)	254	56	40	428	(46)	(51)	(71)	386
Assets under management	50,701	49,045	46,922	45,508	44,510	42,296	42,536	42,675
<b>Mackenzie Financial Corporation</b>								
Sales	2,183	1,721	1,894	2,277	1,694	1,438	1,633	2,021
Redemption rate (%) – total	17.6	17.8	17.6	17.2	16.9	16.9	16.9	17.2
– long-term funds	14.8	15.1	14.7	14.3	13.8	13.7	13.5	13.2
Net sales	512	110	207	346	123	110	219	343
Assets under management	41,592	40,215	38,949	38,189	37,298	34,979	35,847	35,383
<b>Investment Planning Counsel<sup>(3)</sup></b>								
Sales	90	91	94	132	98	90	71	–
Redemption rate (%) – total	10.2	10.9	10.7	10.8	10.5	9.5	9.6	–
– long-term funds	9.7	10.3	9.9	9.6	9.5	8.3	8.2	–
Net sales	51	48	55	83	52	60	49	–
Assets under management	1,858	1,772	1,679	1,580	1,497	1,359	1,326	–
<b>Combined assets under management<sup>(3)</sup></b>	<b>94,116</b>	<b>90,996</b>	<b>87,514</b>	<b>85,245</b>	<b>83,273</b>	<b>78,605</b>	<b>79,680</b>	<b>78,058</b>
<b>Insurance in force (face amount)</b>	<b>37,024</b>	<b>36,368</b>	<b>36,029</b>	<b>36,411</b>	<b>35,897</b>	<b>35,217</b>	<b>34,513</b>	<b>33,012</b>
<b>Securities operations assets under administration</b>	<b>7,320</b>	<b>7,476</b>	<b>7,615</b>	<b>7,405</b>	<b>7,107</b>	<b>6,618</b>	<b>6,626</b>	<b>5,925</b>
<b>Mortgages serviced</b>	<b>6,003</b>	<b>5,909</b>	<b>5,874</b>	<b>5,911</b>	<b>6,010</b>	<b>6,102</b>	<b>6,217</b>	<b>6,327</b>
<b>Deposits and certificates</b>	<b>693</b>	<b>685</b>	<b>701</b>	<b>741</b>	<b>711</b>	<b>669</b>	<b>713</b>	<b>742</b>
<b>Corporate assets</b>	<b>6,807</b>	<b>6,705</b>	<b>6,591</b>	<b>6,548</b>	<b>6,473</b>	<b>6,548</b>	<b>6,456</b>	<b>6,338</b>
<b>Consultants – Investors Group</b>	<b>3,668</b>	<b>3,560</b>	<b>3,537</b>	<b>3,503</b>	<b>3,496</b>	<b>3,391</b>	<b>3,207</b>	<b>3,219</b>

(1) Refer to page 23 of the MD&A for an explanation of the Company's use of non-GAAP financial measures.

(2) From the date of acquisition.

(3) Adjusted for inter-segment assets.