

Quarterly Review

CONSOLIDATED STATEMENTS OF INCOME

For the years ended December 31

(\$ thousands except per share amounts)

	2007				2006			
	4	3	2	1	4	3	2	1
Fee and net investment income								
Management	\$ 522,094	\$ 531,636	\$ 530,466	\$ 511,836	\$ 493,194	\$ 456,481	\$ 455,907	\$ 452,307
Administration	90,255	90,740	84,676	83,757	79,586	77,097	76,520	80,042
Distribution	66,769	64,620	61,943	62,169	55,402	54,154	54,841	56,767
Net investment income and other	42,499	43,833	44,785	63,029	50,380	55,370	49,345	57,205
Total fee and net investment income	721,617	730,829	721,870	720,791	678,562	643,102	636,613	646,321
Operating expenses								
Commission expense	241,428	237,970	236,251	231,404	218,983	205,198	206,204	202,409
Non-commission expense	156,685	154,994	154,110	157,199	147,973	134,491	141,504	149,431
Interest expense	22,222	22,221	22,036	21,851	22,222	22,221	22,036	21,941
Total operating expenses	420,335	415,185	412,397	410,454	389,178	361,910	369,744	373,781
Income before undernoted	301,282	315,644	309,473	310,337	289,384	281,192	266,869	272,540
Income taxes	66,317	96,424	92,794	99,147	89,126	89,507	65,709	86,889
Income before non-controlling interest	234,965	219,220	216,679	211,190	200,258	191,685	201,160	185,651
Non-controlling interest	630	823	825	641	666	252	748	398
Net income								
In accordance with GAAP	\$ 234,335	\$ 218,397	\$ 215,854	\$ 210,549	\$ 199,592	\$ 191,433	\$ 200,412	\$ 185,253
Reconciliation of non-GAAP financial measures⁽¹⁾								
Adjusted net income (non-GAAP)	\$ 219,067	\$ 218,397	\$ 215,854	\$ 210,549	\$ 199,592	\$ 191,433	\$ 186,764	\$ 185,253
Non-cash income tax benefit	15,268	-	-	-	-	-	13,648	-
Net income (GAAP)	\$ 234,335	\$ 218,397	\$ 215,854	\$ 210,549	\$ 199,592	\$ 191,433	\$ 200,412	\$ 185,253
Diluted earnings per share⁽²⁾								
In accordance with GAAP	88	82	81	79	75	72	75	69
Adjusted earnings per share	82	82	81	79	75	72	70	69
Dividends per share ⁽²⁾	46.0	46.0	42.75	42.75	39.75	39.75	37.0	37.0

STATISTICAL DATA (\$ millions)

Mutual funds

Investors Group

Sales	\$ 1,637	\$ 1,593	\$ 1,719	\$ 2,280	\$ 1,497	\$ 1,245	\$ 1,453	\$ 1,995
Redemption rate (%) – total	8.4	8.4	8.5	8.7	9.0	9.3	9.6	9.7
– long-term funds	7.3	7.3	7.4	7.7	7.9	8.1	8.4	8.5
Net sales	386	370	401	1,001	335	127	165	718
Assets under management	60,194	61,205	61,334	60,179	58,216	53,993	51,831	53,846

Mackenzie Financial Corporation

Sales	1,857	1,829	2,173	2,594	2,139	1,446	1,990	2,849
Redemption rate (%) – total	17.8	17.7	17.3	17.6	17.8	17.7	18.0	17.8
– long-term funds	14.1	14.2	14.2	14.8	15.2	15.1	15.3	15.1
Net sales (redemptions)	(248)	(212)	137	234	208	(194)	32	612
Assets under management	46,563	47,492	48,502	47,823	46,600	43,498	42,401	43,967

Investment Planning Counsel

Sales	66	80	84	134	83	63	85	121
Redemption rate (%) – total	9.8	9.2	9.4	9.5	9.8	9.8	10.1	10.1
– long-term funds	9.4	8.8	9.1	9.2	9.4	9.5	9.7	9.7
Net sales (redemptions)	(1)	34	31	75	34	19	38	64
Assets under management	2,268	2,294	2,316	2,296	2,206	2,026	1,959	1,995

Combined mutual fund assets under management⁽²⁾

	108,994	110,959	112,117	110,263	106,987	99,483	96,158	99,774
--	---------	---------	---------	---------	---------	--------	--------	--------

Total Assets under management	122,982	124,228	125,862	123,414	119,364	110,431	103,732	107,179
Corporate assets	7,859	7,750	7,538	7,468	7,333	7,123	6,918	6,833
Consultants – Investors Group	4,331	4,225	4,093	3,985	3,917	3,860	3,766	3,676

(1) Refer to page 18 of the MD&A for an explanation of the Company's use of non-GAAP financial measures.

(2) Adjusted for inter-segment assets.