



REPORT TO SHAREHOLDERS

IGM Financial and its operating companies experienced continued growth in 2007 which once again produced positive financial results for its shareholders. Investors Group Inc. and Mackenzie Financial Corporation, the Company's principal businesses, continued to generate strong activity in terms of sales, product innovation, investment management, and resource development.

The Company is diversified within multiple markets, distribution channels, product types, investment management units, and various brands. A central theme in all we do is to support financial advisors as they help investors to reach their financial goals. These strong relationships, and our association with other members of the Power Financial Corporation group of companies, have placed the Company in a position of leadership and strength in the industry. Together, these elements enable IGM Financial to create long-term value for its clients, Consultants, advisors, and shareholders.

Adjusted net income for the year ended December 31, 2007 was \$863.8 million compared to adjusted net income of \$763.0 million in 2006, an increase of 13.2%. Adjusted earnings per share were \$3.23 in 2007 compared to \$2.85 in 2006, an increase of 13.3%. Adjusted net income in both years excluded a non-cash income tax benefit resulting from decreases in the federal corporate income tax rates and their effect on the future income tax liability related to indefinite life intangible assets arising from the acquisition of Mackenzie Financial Corporation in 2001. A benefit of \$15.3 million was reported in the fourth quarter of 2007 and \$13.7 million was reported in the second quarter of 2006. Net income without adjustment for the year ended December 31, 2007 was \$879.1 million compared to net income without adjustment of \$776.7 million in 2006, an increase of 13.2%. Earnings per share on this basis were \$3.29 in 2007 compared to \$2.90 in 2006, an increase of 13.4%.

Total assets under management at December 31, 2007 totalled \$123.0 billion. This compares with total assets under management of \$119.4 billion at December 31, 2006, an increase of 3.0%.

Dividends increased for the 18th consecutive year, rising 24 cents to \$1.775 per share for the year.

INDUSTRY PERSPECTIVE

In the latter part of 2007, market volatility began to occur based on much-publicized credit concerns and slowing U.S. economic growth. In this context, financial planning which focuses on the long-term perspectives of current and potential investors becomes more appreciated and valued.

The important role of an advisor in helping with financial planning is appreciated by the vast majority of investing Canadians. The Investment Fund Institute of Canada (IFIC) has now published two annual surveys conducted in 2006 and 2007 indicating that approximately 85% of mutual fund investors preferred to invest through an advisor and they highly rated the support and advice provided by their advisors.

OPERATING HIGHLIGHTS

Growth of the Investors Group Consultant network accelerated through 2007. A further seven region offices were opened in the year. Net sales of mutual funds rose significantly from \$1.35 billion to \$2.16 billion during the period based on record high gross sales and a record low redemption rate on long-term mutual funds.

Assets under management grew 3.4% to \$60.2 billion. Investors Group continued to respond to the complex financial needs of its clients by delivering a diverse range of products and services in the context of personalized financial advice.

Mackenzie maintained its focus on delivering consistent long-term investment performance true to the multiple styles deployed in the investment process, while emphasizing product innovation and quality through all its operations. This quality focus is evidenced by the strength of Mackenzie's relationships with financial advisors. Its commitment to experienced and talented investment management continued in 2007 with the hiring of additional resources, including a new Chief Investment Officer.

Mackenzie continued to see growth in its business as reflected in average assets under management which increased by 16.7% versus the prior year to \$63.5 billion. Total assets under management were up 2.8% to \$63.3 billion.

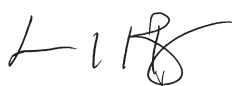
IGM Financial continues to strengthen its business through a strategic focus on multiple distribution opportunities delivering high-quality advice, innovative investment and service solutions for investors. Our scale and investment in technology and operations continue to help us manage our resources effectively and develop long-term growth in our business.

LOOKING AHEAD

The financial planning needs of Canadians are evolving and increasing in complexity as the range of investment choices expands and those in their 40s, 50s, and 60s deal with their savings, transition and income needs. IGM Financial is well positioned to meet this growing need – through our support of investor needs, our commitment to provide quality investment advice and financial products, our service innovation, and our effective management of the Company.

We will continue to focus our businesses to deliver strong value to our clients and our shareholders.

On behalf of the Board of Directors,



Murray J. Taylor
*Co-President and
Chief Executive Officer
IGM Financial Inc.*

February 14, 2008



Charles R. Sims
*Co-President and
Chief Executive Officer
IGM Financial Inc.*