

Quarterly Review

CONSOLIDATED STATEMENTS OF EARNINGS

For the years ended December 31

(\$ thousands, except per share amounts)

	2010				2009			
	4	3	2	1	4	3	2	1
Revenues								
Management fees	\$ 479,028	\$ 452,522	\$ 455,458	\$ 449,734	\$ 449,687	\$ 432,190	\$ 399,340	\$ 365,419
Administration fees	90,795	87,795	89,168	88,514	88,259	88,537	86,902	82,322
Distribution fees	83,719	69,071	71,946	72,849	70,753	62,001	62,337	62,336
Net investment income and other	39,077	27,865	26,646	38,341	(61,971)	43,802	43,033	52,785
	692,619	637,253	643,218	649,438	546,728	626,530	591,612	562,862
Expenses								
Commission	227,245	211,982	215,310	214,529	213,504	205,293	197,309	192,376
Non-commission	158,568	154,965	161,241	160,847	148,732	148,723	158,252	158,515
Interest	28,631	27,870	27,571	27,302	33,157	33,017	32,431	26,701
	414,444	394,817	404,122	402,678	395,393	387,033	387,992	377,592
Earnings before income taxes	278,175	242,436	239,096	246,760	151,335	239,497	203,620	185,270
Income taxes	78,004	70,533	57,764	64,581	37,624	72,147	59,116	51,743
Net earnings	200,171	171,903	181,332	182,179	113,711	167,350	144,504	133,527
Perpetual preferred share dividends	2,213	2,212	2,213	3,467	-	-	-	-
Net earnings available to common shareholders – GAAP	\$ 197,958	\$ 169,691	\$ 179,119	\$ 178,712	\$ 113,711	\$ 167,350	\$ 144,504	\$ 133,527
Reconciliation of non-GAAP financial measures⁽¹⁾								
Operating earnings available to common shareholders – non GAAP measure								
	\$ 197,958	\$ 177,851	\$ 179,119	\$ 178,712	\$ 176,537	\$ 167,350	\$ 144,504	\$ 133,527
Proportionate share of affiliate's provision	-	(8,160)	-	-	-	-	-	-
Non-cash charge on available for sale equity securities, net of tax	-	-	-	-	(66,240)	-	-	-
Non-cash income tax benefit	-	-	-	-	17,814	-	-	-
Premium paid on redemption of preferred shares	-	-	-	-	(14,400)	-	-	-
Net earnings available to common shareholders – GAAP	\$ 197,958	\$ 169,691	\$ 179,119	\$ 178,712	\$ 113,711	\$ 167,350	\$ 144,504	\$ 133,527
Diluted earnings per share (e)								
Net earnings	76	65	68	68	43	63	55	51
Operating earnings ⁽¹⁾	76	68	68	68	67	63	55	51
Dividends per share (e)	51.25	51.25	51.25	51.25	51.25	51.25	51.25	51.25

STATISTICAL DATA (\$ millions)

Mutual funds

Investors Group								
Sales	\$ 1,387	\$ 1,165	\$ 1,316	\$ 1,880	\$ 1,376	\$ 1,134	\$ 1,105	\$ 1,427
Redemption rate (%) – total	9.4	9.3	9.0	8.9	9.0	9.1	9.2	9.4
– long-term funds	8.3	8.1	7.7	7.5	7.4	7.3	7.5	7.7
Net sales (redemptions)	(38)	(166)	(103)	560	154	36	(95)	309
Assets under management	61,785	58,838	55,468	59,224	57,655	56,560	52,498	46,574
Mackenzie								
Sales	1,494	1,056	1,712	1,586	1,414	997	1,231	1,263
Redemption rate (%) – total	18.1	18.1	17.9	17.7	17.5	19.6	21.2	22.2
– long-term funds	16.5	16.2	15.7	15.1	14.6	16.0	17.3	18.3
Net sales (redemptions)	(463)	(542)	(166)	(348)	(408)	(439)	(362)	(357)
Assets under management	43,452	41,112	38,867	41,331	40,624	39,854	37,249	33,659
Investment Planning Counsel								
Sales	142	110	114	133	120	87	69	67
Redemption rate (%) – total	12.7	12.8	13.2	12.6	12.7	13.8	14.8	15.6
– long-term funds	12.0	12.1	12.3	11.6	11.6	12.4	13.6	14.6
Net sales (redemptions)	62	48	33	61	54	32	11	9
Assets under management	2,688	2,377	2,171	2,254	2,140	2,030	1,838	1,670
Combined mutual fund assets under management⁽²⁾								
	107,925	102,327	96,506	102,809	100,419	98,444	91,585	81,903
Total assets under management	129,484	122,667	115,694	123,368	120,545	117,904	109,647	98,655
Corporate assets	8,893	8,701	8,608	8,657	8,646	9,087	9,082	8,924
Consultants – Investors Group	4,686	4,683	4,667	4,637	4,633	4,616	4,511	4,486

(1) Refer to page 17 of the MD&A for an explanation of the Company's use of non-GAAP financial measures.

(2) Adjusted for inter-segment assets.