

IGM FINANCIAL INC.**Consolidated Statements of Income**

<i>(in thousands of dollars, except shares and per share amounts)</i>	Three months ended		Twelve months ended	
	December 31		December 31	
	2005	2004	2005	2004
Fee and net investment income				
Management	\$ 427,109	\$ 383,190	\$ 1,644,737	\$ 1,491,657
Administration	78,029	71,588	307,391	299,612
Distribution	55,846	46,196	212,344	164,471
Net investment income and other	47,341	47,093	183,108	163,331
Total fee and net investment income	608,325	548,067	2,347,580	2,119,071
Operating expenses				
Commission expense	189,499	163,777	726,471	616,706
Non-commission expense	141,202	154,210	555,326	544,256
Interest expense	22,749	24,100	90,425	95,593
Total operating expenses	353,450	342,087	1,372,222	1,256,555
Income before income taxes and non-controlling interest	254,875	205,980	975,358	862,516
Income taxes	77,467	63,470	291,500	264,969
Income before non-controlling interest	177,408	142,510	683,858	597,547
Non-controlling interest	162	420	1,431	1,151
Net income	\$ 177,246	\$ 142,090	\$ 682,427	\$ 596,396
Average number of common shares (in thousands)				
- Basic	264,508	264,589	264,573	264,431
- Diluted	266,844	266,250	266,609	266,010
Earnings per share (in dollars)				
- Basic	\$ 0.67	\$ 0.54	\$ 2.58	\$ 2.26
- Diluted	\$ 0.66	\$ 0.53	\$ 2.56	\$ 2.24

Financial Highlights

	Three months ended December 31			Twelve months ended December 31		
	2005	2004	Change	2005	2004	Change
Net income (\$ millions)						
- Excluding Adjustment ⁽¹⁾	\$ 177.2	\$ 161.3	9.9 %	\$ 682.4	\$ 615.6	10.9 %
- In accordance with GAAP	177.2	142.1	24.7	682.4	596.4	14.4
Diluted earnings per share						
- Excluding Adjustment ⁽¹⁾	0.66	0.61	8.2	2.56	2.31	10.8
- In accordance with GAAP	0.66	0.53	24.5	2.56	2.24	14.3
Return on equity						
- Excluding Adjustment ⁽¹⁾				20.0%	19.8%	
- In accordance with GAAP				20.0%	19.1%	
Dividends per share	0.345	0.30	15.0	1.335	1.15	16.1
(\$ millions)						
Mutual funds						
Investors Group						
Sales	\$ 1,377	\$ 1,102	25.0 %	\$ 5,488	\$ 4,722	16.2 %
Net sales	254	(46)	N/M	778	218	257.0
Assets under management				50,701	44,510	13.9
Mackenzie						
Sales	2,183	1,694	28.9	8,075	6,786	19.0
Net sales	512	123	316.3	1,175	795	47.7
Assets under management				41,592	37,298	11.5
Investment Planning Counsel						
Sales	90	98	(8.2)	407	259 ⁽²⁾	N/A
Net sales	51	52	(1.9)	237	161 ⁽²⁾	N/A
Assets under management				1,858	1,497	24.1
Combined mutual fund assets under management ⁽³⁾				94,116	83,273	13.0
Insurance in force (face amount)				37,024	35,897	3.1
Securities operations assets under administration				7,320	7,107	3.0
Mortgages serviced				6,003	6,010	(0.1)
Employees				3,320	3,324	(0.1) %

⁽¹⁾ Non-GAAP Financial Measures

In 2004, the Ontario Securities Commission (OSC), the Manitoba Securities Commission (MSC) and the Mutual Fund Dealers Association (MFDA) of Canada approved settlement agreements with subsidiaries of the company regarding trading by an institutional client in mutual funds of Investors Group Inc. (IG). IG agreed to provide compensation to affected unitholders. The Company recorded a \$28.8 million (\$19.2 million after-tax or \$0.07 per share) charge to income in the fourth quarter to reflect the compensation payments and related expenses.

⁽²⁾ From date of acquisition.

⁽³⁾ Adjusted for \$35 million in inter-segment assets (\$32 millions at December 31, 2004).