



## News Release

Readers are referred to the disclaimer regarding Forward-Looking Statements, Non-IFRS Financial Measures and Additional IFRS Measures at the end of this Release.

### IGM FINANCIAL INC. REPORTS FOURTH QUARTER AND 2013 EARNINGS

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**Winnipeg – February 14, 2014:** IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the fourth quarter and for the year ended December 31, 2013.

Operating earnings available to common shareholders, excluding other items<sup>1</sup>, for the three months ended December 31, 2013 were \$198.7 million or 79 cents per share compared to operating earnings available to common shareholders, excluding other items<sup>2</sup>, of \$183.2 million or 72 cents per share in 2012.

Net earnings available to common shareholders for the three months ended December 31, 2013 were \$197.1 million or 78 cents per share compared to net earnings available to common shareholders of \$202.0 million or 80 cents per share for the comparative period in 2012.

Operating earnings available to common shareholders, excluding other items<sup>1</sup>, for the year ended December 31, 2013 were \$763.5 million or \$3.02 per share compared to operating earnings available to common shareholders, excluding other items<sup>2</sup>, of \$746.4 million or \$2.92 per share in 2012.

Net earnings available to common shareholders for the year ended December 31, 2013 were \$761.9 million or \$3.02 per share compared to net earnings available to common shareholders of \$758.8 million or \$2.97 per share in 2012.

Revenues for the three months ended December 31, 2013 were \$702.9 million compared to \$632.6 million in the comparative period in 2012. Revenues for the year ended December 31, 2013 were \$2.69 billion compared to \$2.58 billion a year ago. Expenses were \$449.4 million for the fourth quarter of 2013 compared to \$400.4 million a year ago and \$1.71 billion for the year ended December 31, 2013 compared to \$1.62 billion in 2012.

Total assets under management at December 31, 2013 were \$131.8 billion. This compared with total assets under management of \$120.7 billion at December 31, 2012.

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<sup>1</sup> Other items for the three and twelve months ended December 31, 2013 of \$1.6 million consisted of a net charge of:

- An after-tax charge of \$10.6 million related to restructuring and other charges.
- An after-tax benefit of \$9.0 million representing the Company's proportionate share of net changes in Great-West Lifeco Inc.'s litigation provision.

<sup>2</sup> Other items for the three and twelve months ended December 31, 2012 of \$18.8 million and \$12.4 million, respectively, consisted of a net benefit of:

- A favourable change in income tax provision estimates of \$24.4 million related to certain tax filings.
- An after-tax charge of \$5.6 million representing the Company's proportionate share of net changes in Great-West Lifeco Inc.'s litigation provision.

Other items for the twelve months ended December 31, 2012 also included a non-cash income tax charge of \$6.4 million resulting from increases in Ontario corporate income tax rates and their effect on the deferred income tax liability related to indefinite life intangible assets arising from prior business acquisitions.



Shareholders' equity at December 31, 2013 was \$4.7 billion, compared to \$4.4 billion at December 31, 2012. Return on average common equity based on operating earnings for the year ended December 31, 2013 was 17.3%, unchanged from the comparative period in 2012.

### **INVESTORS GROUP OPERATIONS**

“Mutual fund gross sales, up 19% over the same period last year, were the highest level of fourth quarter sales in the history of the company,” said Murray J. Taylor, President and Chief Executive Officer of Investors Group Inc. “Our Consultant Network increased to 4,673 in the fourth quarter from 4,518 in the same quarter last year based primarily on strong recruiting results.”

Mutual fund sales for the fourth quarter of 2013 were \$1.69 billion compared to \$1.42 billion in the prior year, and mutual fund net sales for the fourth quarter were \$59 million compared to net redemptions of \$261 million a year ago.

Mutual fund sales for the twelve months ended December 31, 2013 were \$6.67 billion compared to \$5.78 billion in the prior year, and mutual fund net sales were \$159 million compared to net redemptions of \$724 million a year ago.

The twelve month trailing redemption rate (excluding money market funds) was 9.4% at December 31, 2013, compared to 9.7% at September 30, 2013.

Mutual fund assets under management at December 31, 2013 were \$68.3 billion compared to \$60.6 billion at December 31, 2012.

### **MACKENZIE OPERATIONS**

Mutual fund sales for the fourth quarter of 2013 were \$2.02 billion, an increase of 9.1% compared to \$1.85 billion the prior year. Mutual fund net sales for the fourth quarter were \$8 million compared to net redemptions of \$543 million a year ago.

Mutual fund sales for the year ending December 31, 2013 were \$6.70 billion, an increase of 22.0% compared to \$5.49 billion the prior year. Mutual fund net redemptions were \$487 million compared to net redemptions of \$1,974 million a year ago.

Total sales for the fourth quarter of 2013 were \$3.14 billion compared to \$2.84 billion in the prior year. Total net redemptions for the fourth quarter were \$0.91 billion compared to total net redemptions of \$1.00 billion a year ago.

Total sales for the year ended December 31, 2013 were \$12.36 billion compared to \$9.97 billion in the prior year. Total net redemptions were \$3.57 billion compared to total net redemptions of \$4.24 billion a year ago.

“Solid investment performance, new product introductions and enthusiasm for our global equity offerings have created strong sales momentum,” said Jeffrey R. Carney, President and Chief Executive Officer of Mackenzie Financial Corporation. “This is our highest level of fourth quarter mutual fund sales since 2007.”

Mackenzie’s total assets under management at December 31, 2013 were \$65.3 billion compared with total assets under management of \$61.5 billion at December 31, 2012. Mutual fund assets under management at December 31, 2013 were \$46.0 billion compared to \$40.4 billion a year ago.

## DIVIDENDS

The Board of Directors has declared a dividend of 53.75 cents per share on the Company's common shares and has declared a dividend of \$0.36875 per share on the Company's 5.90% Non-Cumulative First Preferred Shares, Series "B". The common share dividend and the preferred share dividend are payable on April 30, 2014 to shareholders of record on March 31, 2014.

## FORWARD-LOOKING STATEMENTS

*Certain statements in this Release, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect IGM Financial's current expectations. Forward-looking statements are provided to assist the reader in understanding the Company's financial position and results of operations as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Company, as well as the outlook for North American and international economies, for the current fiscal year and subsequent periods. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "seeks", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could".*

*This information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking statements, including the perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances. While the Company considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.*

*By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved.*

*A variety of material factors, many of which are beyond the Company's and its subsidiaries' control, affect the operations, performance and results of the Company, and its subsidiaries, and their businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, management of market liquidity and funding risks, changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates), the effect of applying future accounting changes, operational and reputational risks, business competition, technological change, changes in government regulations and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, the Company's ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Company's and its subsidiaries' success in anticipating and managing the foregoing factors.*

*The reader is cautioned that the foregoing list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not place undue reliance on forward-looking statements.*

*Other than as specifically required by applicable Canadian law, the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.*

*Additional information about the risks and uncertainties of the Company's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials filed with the securities regulatory authorities in Canada, available at [www.sedar.com](http://www.sedar.com).*

### **NON-IFRS FINANCIAL MEASURES AND ADDITIONAL IFRS MEASURES**

*This release contains non-IFRS financial measures and additional IFRS measures. Net earnings available to common shareholders, which is an additional measure in accordance with International Financial Reporting Standards (IFRS), may be subdivided into two components consisting of:*

- *Operating earnings available to common shareholders; and*
- *Other items, which include the after-tax impact of any item that management considers to be of a non-recurring nature or that could make the period-over-period comparison of results from operations less meaningful.*

*Terms by which non-IFRS financial measures are identified include but are not limited to "operating earnings available to common shareholders", "operating earnings per share", "operating return on average common equity" and other similar expressions used to provide management and investors with additional measures to assess earnings performance. However, non-IFRS financial measures do not have standard meanings prescribed by IFRS and are not directly comparable to similar measures used by other companies. Please refer to the attached Financial Highlights for the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS.*

*Terms by which additional IFRS measures are identified include "earnings before income taxes and discontinued operations", "net earnings from continuing operations" and "net earnings available to common shareholders". Additional IFRS measures are used to provide management and investors with additional measures to assess earnings performance. These measures are considered additional IFRS measures as they are in addition to the minimum line items required by IFRS and are relevant to an understanding of the entity's financial performance.*

The Consolidated Financial Statements and Management's Discussion and Analysis (MD&A) of operating results are available on IGM Financial Inc.'s website at [www.igmfinancial.com](http://www.igmfinancial.com).

*IGM Financial Inc. is one of Canada's premier personal financial services companies, and one of the country's largest managers and distributors of mutual funds and other managed asset products, with over \$132 billion in total assets under management as of January 31, 2014. Its activities are carried out principally through Investors Group, Mackenzie Financial Corporation and Investment Planning Counsel. IGM Financial Inc. is a member of the Power Financial Corporation group of companies.*

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**Media Note:** A live webcast of IGM's Analyst conference call for the Fourth Quarter 2013 will be held Friday February 14, 2014 at 3:00 P.M. (ET) at [www.igmfinancial.com](http://www.igmfinancial.com). Media and interested parties may alternatively choose to listen to the live analyst teleconference call by dialing **1-866 226-1793** or **416-340-2218**.

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

<i>(unaudited)</i> <i>(in thousands of Canadian dollars,</i> <i>except shares and per share amounts)</i>	Three months ended December 31		Twelve months ended December 31	
	2013	2012	2013	2012
		Restated		Restated
<b>Revenues</b>				
Management fees	\$ 475,584	\$ 434,691	\$ 1,832,606	\$ 1,766,348
Administration fees	93,721	84,571	357,535	337,155
Distribution fees	85,635	80,198	323,045	321,071
Net investment income and other	17,774	17,540	83,009	80,611
Proportionate share of affiliate's earnings	30,191	15,565	93,827	71,971
	<b>702,905</b>	632,565	<b>2,690,022</b>	2,577,156
<b>Expenses</b>				
Commission	229,384	213,387	886,123	858,248
Non-commission	196,763	163,839	730,369	668,553
Interest	23,239	23,202	92,150	92,188
	<b>449,386</b>	400,428	<b>1,708,642</b>	1,618,989
Earnings before income taxes	253,519	232,137	981,380	958,167
Income taxes	54,174	27,923	210,626	190,504
<b>Net earnings</b>	<b>199,345</b>	204,214	<b>770,754</b>	767,663
Perpetual preferred share dividends	2,212	2,212	8,850	8,850
<b>Net earnings available to common shareholders</b>	<b>\$ 197,133</b>	\$ 202,002	<b>\$ 761,904</b>	\$ 758,813
Average number of common shares (in thousands)				
- Basic	252,123	252,520	252,013	254,853
- Diluted	253,005	252,862	252,474	255,277
Earnings per share (in dollars)				
- Basic	\$ 0.78	\$ 0.80	\$ 3.02	\$ 2.98
- Diluted	\$ 0.78	\$ 0.80	\$ 3.02	\$ 2.97

**IGM FINANCIAL INC.**
**Financial Highlights**

(unaudited)	For the three months ended December 31			As at and for the twelve months ended December 31		
	2013	2012	Change	2013	2012	Change
<b>Earnings available to common shareholders</b> (\$ millions)						
Operating Earnings <sup>(1)</sup>	\$ 198.7	\$ 183.2	8.5 %	\$ 763.5	\$ 746.4	2.3 %
Net Earnings	197.1	202.0	(2.4)	761.9	758.8	0.4
<b>Diluted earnings per share</b>						
Operating Earnings <sup>(1)</sup>	0.79	0.72	9.7	3.02	2.92	3.4
Net Earnings	0.78	0.80	(2.5)	3.02	2.97	1.7
<b>Return on equity</b>						
Operating Earnings <sup>(1)</sup>				17.3%	17.3%	
Net Earnings				17.3%	17.6%	
<b>Dividends per share</b>	<b>0.5375</b>	0.5375	-	<b>2.15</b>	2.15	-
<b>Total assets under management</b> <sup>(2)</sup> (\$ millions)				<b>\$ 131,777</b>	\$ 120,694	9.2 %
<b>Investors Group</b>						
<b>Mutual funds</b>				<b>68,255</b>	60,595	12.6
<b>Mackenzie</b>						
Mutual funds				46,024	40,394	
Sub-advisory, institutional and other accounts				19,291	21,083	
<b>Total</b>				<b>65,315</b>	61,477	6.2
<b>Counsel</b>						
<b>Mutual funds</b>				<b>3,406</b>	2,950	15.5

Mutual Funds and Institutional Sales (\$ millions)	Investors Group	Mackenzie		Counsel	Total <sup>(4)</sup>
		Mutual Funds	Total <sup>(3)</sup>		
For the three months ended December 31, 2013					
<b>Gross sales</b>	\$ 1,694	\$ 2,019	\$ 3,143	\$ 147	\$ 4,519
<b>Net sales (redemptions)</b>	59	8	(912)	26	(955)
For the twelve months ended December 31, 2013					
<b>Gross sales</b>	\$ 6,668	\$ 6,700	\$ 12,363	\$ 485	\$ 17,939
<b>Net sales (redemptions)</b>	159	(487)	(3,566)	52	(3,722)

<sup>(1)</sup> Non-IFRS Financial Measures:

## 2013 operating earnings excluded:

- An after-tax charge of \$10.6 million related to restructuring and other charges.
- An after-tax benefit of \$9.0 million, recorded in the fourth quarter, representing the Company's proportionate share of net changes in Great-West Lifeco Inc.'s litigation provisions.

## 2012 operating earnings excluded:

- A favourable change in income tax provision estimates of \$24.4 million, recorded in the fourth quarter, related to certain tax filings.
- An after-tax charge of \$5.6 million, recorded in the fourth quarter, representing the Company's proportionate share of net changes in Great-West Lifeco Inc.'s litigation provisions.
- A non-cash income tax charge of \$6.4 million, recorded in the second quarter, resulting from increases in Ontario corporate income tax rates and their effect on the deferred income tax liability related to indefinite life intangible assets arising from prior business acquisitions. There is no expectation that the deferred tax liability will become payable as the Company has no intention of disposing of these assets.

<sup>(2)</sup> Total assets under management excluded \$5.2 billion of assets sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel (\$4.3 billion at December, 2012).

<sup>(3)</sup> In the third quarter of 2013, Waddell & Reed Financial, Inc. internalized a \$2.4 billion mandate previously sub-advised by Mackenzie.

<sup>(4)</sup> Total Gross Sales and Net Sales for the three months ended December 31, 2013 excluded \$465 million and \$128 million respectively in accounts sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel. Total Gross Sales and Net Sales for the twelve months ended December 31, 2013 excluded \$1.6 billion and \$367 million respectively in accounts sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel.