



News Release

Readers are referred to the disclaimer regarding Forward-Looking Information and financial measures not in accordance with Canadian generally accepted accounting principles (Non-GAAP Financial Measures) at the end of this Release.

IGM FINANCIAL INC. REPORTS 2005 EARNINGS INCREASES DIVIDEND

Winnipeg -- February 17, 2006: IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the year ended December 31, 2005.

Net income for the year ended December 31, 2005 was \$682.4 million, compared to adjusted net income of \$615.6 million in 2004, an increase of 10.9%. Earnings per share were \$2.56, an increase of 10.8% compared to adjusted earnings per share of \$2.31 in 2004. Adjusted net income and earnings per share for 2004 excludes a non-recurring expense. Net income in 2004 without adjustment totalled \$596.4 million. Earnings per share on this basis were \$2.24.

Net income for the three months ended December 31, 2005 was \$177.2 million compared to adjusted net income of \$161.3 million in 2004, an increase of 9.9%. Earnings per share were 66 cents, an increase of 8.2% compared to adjusted earnings per share of 61 cents in 2004. Net income for the three months ended December 31, 2004 without adjustment totalled \$142.1 million. Earnings per share on this basis were 53 cents.

Gross revenues for the year ended December 31, 2005 were \$2.35 billion, compared to \$2.12 billion in the prior year. Gross revenues for the fourth quarter were \$608.3 million compared to \$548.1 million last year. Operating expenses were \$1.37 billion for the twelve months and \$353.5 million for the quarter, compared with \$1.26 billion and \$342.1 million, respectively, in 2004.

Mutual fund assets under management at December 31, 2005 totalled \$94.1 billion, compared to \$83.3 billion at December 31, 2004, an increase of 13.0%. Total assets under management at December 31, 2005 totalled \$100.2 billion, compared to \$86.6 billion at December 31, 2004, an increase of 15.7%.

Shareholders' equity at December 31, 2005 was \$3.45 billion, compared to \$3.15 billion at December 31, 2004. Return on average common equity for the twelve months ended December 31, 2005 was 20.0% compared with adjusted return on average common equity of 19.8% for the same period in 2004.

INVESTORS GROUP OPERATIONS

Mutual fund sales for 2005 were \$5.5 billion compared to \$4.7 billion in the prior year and mutual fund net sales were \$778 million compared to \$218 million a year ago. Net sales of long-term funds were \$529 million compared to \$52 million in the prior year.



- 2 -

For the fourth quarter of 2005, mutual fund sales were \$1.4 billion compared to \$1.1 billion in the prior year. For the quarter, mutual fund net sales were \$254 million compared to net redemptions of \$46 million in 2004 and net sales of long-term mutual funds (excluding money market funds) were \$168 million compared to net redemptions of \$94 million in 2004.

“During 2005 we significantly expanded our field management to support our growing Consultant network,” said Murray J. Taylor, President and Chief Executive Officer of Investors Group Inc. “A 257% increase in mutual fund net sales over 2004 combined with strong investment performance has resulted in record levels of assets under management.”

Investors Group's twelve month trailing redemption rate (excluding money market funds) was 8.7% at the end of 2005, down from 9.1% at the same time last year. The corresponding rate at December 31, 2005 for all other members of the Investment Funds Institute of Canada (IFIC) was 16.4%.

Investors Group's mutual fund assets under management at December 31, 2005 were \$50.7 billion, an increase of 13.9%, compared to \$44.5 billion at December 31, 2004.

The number of Investors Group Consultants was 3,668 at December 31, 2005. Investors Group has experienced six consecutive quarters of growth resulting in an increase of 14.4% in the Consultant Network since June 30, 2004.

MACKENZIE OPERATIONS

Mackenzie recorded mutual fund sales of \$8.1 billion for 2005 compared to \$6.8 billion in the prior year. Mutual fund net sales were \$1.2 billion compared to \$795 million in the prior year. Net sales of long-term funds (excluding money market and managed yield funds) were \$1.0 billion for the period compared to \$819 million in 2004.

For the fourth quarter of 2005, mutual fund sales were \$2.2 billion compared to \$1.7 billion for the same quarter last year. Mutual fund net sales were \$512 million for the fourth quarter of 2005 compared to \$123 million in 2004. Net sales of long-term funds (excluding money market and managed yield funds) were \$341 million for the quarter, compared with \$89 million in 2004.

“Industry net sales of long-term funds in the quarter represented the best fourth quarter results since 1998 indicating that the industry is still benefiting from positive investor confidence,” said Charles R. Sims, President and Chief Executive Officer of Mackenzie Financial Corporation. “Mackenzie's gross sales for the year were the highest in the company's history.”

Mackenzie's twelve month trailing redemption rate for long-term funds was 14.8% at the end of December 2005, compared to 13.8% at the end of December 2004. The corresponding rate at December 31, 2005 for all other members of IFIC was 15.7%.

Mackenzie's mutual fund assets under management at December 31, 2005 were \$41.6 billion, an increase of 11.5%, compared to \$37.3 billion one year ago. Total assets under management at December 31, 2005 totalled \$49.9 billion compared to \$42.3 billion at December 31, 2004, an increase of 17.7%.

- more -



- 3 -

DIVIDENDS

The Board of Directors has declared a quarterly dividend of \$0.359375 per share on the Company's 5.75% Non-Cumulative First Preferred Shares, Series "A" payable on March 31, 2006 to shareholders of record on March 7, 2006 and has declared an increase of 2.5 cents per share in the quarterly dividend from 34.5 cents to 37.0 cents per share on the Company's common shares payable on April 28, 2006 to shareholders of record on March 27, 2006.

FORWARD-LOOKING INFORMATION AND NON-GAAP FINANCIAL MEASURES

This Release may contain forward-looking statements about the Company, including its business operations, strategy and expected financial performance and condition. 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", "intends", "plans", "believes", "estimates" or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future Company action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Company due to, but not limited to, important factors such as general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, and the Company's ability to complete strategic transactions and integrate acquisitions. The reader is cautioned that the foregoing list of important factors is not exhaustive. The reader is also cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements.

This release may also contain non-GAAP financial measures. Terms by which non-GAAP financial measures are identified include but are not limited to "adjusted net income", "adjusted earnings per share", "adjusted return on average common equity", "net income excluding adjustment" and other similar expressions. Non-GAAP financial measures are used to provide management and investors with additional measures of performance. However, non-GAAP financial measures do not have standard meanings prescribed by GAAP 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-GAAP financial measures to measures prescribed by GAAP.

A review of activities and performance for IGM Financial Inc., together with financial details and a management discussion, will be published in the Company's 2005 Annual Report which should be mailed to shareholders on or about March 31, 2006.

- more -



- 4 -

IGM Financial Inc. is one of Canada's premier personal financial services companies, and the country's largest manager and distributor of mutual funds and other managed asset products, with over \$103 billion in total assets under management. Its activities are carried out principally through Investors Group, Mackenzie Financial and Investment Planning Counsel. IGM Financial Inc. is a member of the Power Financial Company group of companies.

For more information contact:

Ron Arnst
Media Relations
Investors Group Inc.
Tel: (204) 956 3364
ron.arnst@investorsgroup.com

Media Note: A live webcast of IGM's Analyst conference call for the Fourth Quarter 2005 will be held today, Friday, February 17, 2006, at 2:00 P.M. (ET) at www.igmfinancial.com. Media and interested parties may alternatively choose to listen to today's live analyst teleconference call by dialing **1-888-789-0089** or **(416) 695-5261**.

- end -

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

IGM FINANCIAL INC.**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).