



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 SECOND QUARTER EARNINGS INCREASES DIVIDEND

Winnipeg – July 30, 2008: IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the second quarter of 2008.

Adjusted net income for the three months ended June 30, 2008 was \$216.1 million compared to net income of \$215.9 million in 2007. Adjusted earnings per share were 81 cents unchanged from earnings per share in the prior year. Adjusted net income for the three months ended June 30, 2008 excluded \$25.0 million which represented the Company's proportionate share of Great-West Lifeco Inc.'s after-tax gain on the sale of its healthcare business, Great-West Healthcare. Net income without adjustment for the three months ended June 30, 2008 was \$241.1 million and earnings per share on this basis were 91 cents.

Adjusted net income for the six months ended June 30, 2008 was \$427.3 million compared to net income of \$426.4 million in 2007. Adjusted earnings per share were \$1.61 compared to earnings per share of \$1.59 in 2007. Net income without adjustment for the six months ended June 30, 2008 was \$452.3 million and earnings per share on this basis were \$1.70.

Gross revenues for the three months ended June 30, 2008 were \$721.1 million, compared to \$721.9 million in the prior year. Gross revenues for the six months ended June 30, 2008 were \$1.44 billion, unchanged from 2007. Operating expenses were \$419.3 million for the quarter and \$843.7 million for the six months, compared to \$412.4 million and \$822.9 million in 2007.

Total assets under management at June 30, 2008 were \$119.7 billion. This compared with total assets under management of \$125.9 billion at June 30, 2007, a decrease of 4.9%.

Shareholders' equity at June 30, 2008 was \$4.3 billion, compared to \$4.2 billion at December 31, 2007. Adjusted return on average common equity for the six months ended June 30, 2008 was 20.2% compared with return on average common equity of 21.5% for the same period in 2007.

INVESTORS GROUP OPERATIONS

The number of Investors Group Consultants was 4,360 at June 30, 2008 up from 4,331 at December 31, 2007 and up 7% from 4,093 at June 30, 2007.

“We are pleased to see a record high in the size of our Consultant network with our 16th consecutive quarter of growth,” said Murray J. Taylor, President and Chief Executive Officer of Investors Group Inc. “We continue to experience a low 12 month redemption rate of 7.6% for long-term mutual funds.”

Mutual fund sales for the second quarter were \$1.5 billion compared to \$1.7 billion in the prior year and mutual fund net redemptions for the second quarter were \$6 million compared to net sales of \$400 million a year ago. Year-to-date mutual fund sales for 2008 were \$3.4 billion compared to



\$4.0 billion in the prior year and mutual fund net sales were \$504 million compared to \$1.4 billion a year ago.

Investors Group's twelve month trailing redemption rate (excluding money market funds) was 7.6% at June 30, 2008, compared to the average redemption rate of approximately 16.5% for all other members of the Investment Funds Institute of Canada.

Investors Group's mutual fund assets under management at June 30, 2008 were \$59.0 billion compared to \$61.3 billion at June 30, 2007, a decrease of 3.8%.

MACKENZIE OPERATIONS

Total sales for the second quarter of 2008 were \$3.3 billion relatively unchanged from the prior year. Total net sales for the second quarter were \$199 million compared to \$709 million in the prior year. Total year-to-date sales for 2008 were \$6.5 billion compared to \$6.9 billion in the prior year. Total net sales were \$97 million compared to \$1.3 billion in the prior year.

“The launch of the Destination Family of target date mutual funds with a capital protection feature continues to build on the innovative product development history of Mackenzie and contributed to our sales during the most recent quarter,” said Charles R. Sims, President and Chief Executive Officer of Mackenzie Financial Corporation. “Despite continued equity market volatility, we believe our mutual fund investment portfolios are positioned to take advantage of long-term opportunities.”

Mackenzie's total assets under management at June 30, 2008 totalled \$61.2 billion. This compares with assets under management of \$65.0 billion at June 30, 2007, a decrease of 5.8%. Mutual fund assets under management at June 30, 2008 were \$43.7 billion, a decrease of 9.9% from one year ago.

DIVIDENDS

The Board of Directors declared a quarterly dividend of \$0.359375 per share on the Company's 5.75% Non-Cumulative First Preferred Shares, Series “A” payable on September 30, 2008 to shareholders of record on August 29, 2008 and has declared an increase of 2.50 cents per share in the quarterly dividend from 48.75 cents to 51.25 cents per share on the Company's common shares payable on October 31, 2008 to shareholders of record on September 22, 2008.

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”, “plans”, “believes”, “estimates”, “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”. 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,



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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, 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 and integrate acquisitions and the Company's success in anticipating and managing the foregoing risks. 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. Other than as specifically required by applicable law, the Company has no specific intention to update any forward-looking statements whether as a result of new information, future events or otherwise.

This release contains 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 without 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 2008 Second Quarter Report to Shareholders which should be mailed to shareholders on or about August 12, 2008.

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 \$119 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 Corporation group of companies.

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Media Note: A live webcast of IGM's Analyst conference call for the Second Quarter 2008 will be held Thursday, July 31, 2008, at 9:30 A.M. (ET) at www.igmfinancial.com. Media and interested parties may alternatively choose to listen to the live analyst teleconference call by dialing **1-888-280-8349** or **(416) 695-9719**.

IGM FINANCIAL INC.**Consolidated Statements of Income***(unaudited)**(in thousands of dollars, except shares and per share amounts)*

	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Fee and net investment income				
Management	\$ 503,320	\$ 530,466	\$ 993,969	\$ 1,042,302
Administration	89,401	84,676	176,903	168,433
Distribution	72,395	61,943	148,082	124,112
Net investment income and other	55,939	44,785	116,783	107,814
Total fee and net investment income	721,055	721,870	1,435,737	1,442,661
Operating expenses				
Commission expense	234,803	236,251	469,797	467,655
Non-commission expense	162,500	154,110	329,911	311,309
Interest expense	21,990	22,036	43,980	43,887
Total operating expenses	419,293	412,397	843,688	822,851
Income before income taxes, non-controlling interest and proportionate share of affiliate's gain	301,762	309,473	592,049	619,810
Income taxes	85,277	92,794	163,832	191,941
Income before non-controlling interest and proportionate share of affiliate's gain	216,485	216,679	428,217	427,869
Non-controlling interest	387	825	916	1,466
Net income before proportionate share of affiliate's gain	216,098	215,854	427,301	426,403
Proportionate share of affiliate's gain	25,003	-	25,003	-
Net income	\$ 241,101	\$ 215,854	\$ 452,304	\$ 426,403

Average number of common shares
(in thousands)

- Basic	263,609	264,837	263,863	264,891
- Diluted	265,751	267,709	265,934	267,628

Earnings per share (in dollars)

Excluding proportionate share of affiliate's gain

- Basic	\$ 0.82	\$ 0.82	\$ 1.62	\$ 1.61
- Diluted	\$ 0.81	\$ 0.81	\$ 1.61	\$ 1.59

Including proportionate share of affiliate's gain

- Basic	\$ 0.91	\$ 0.82	\$ 1.71	\$ 1.61
- Diluted	\$ 0.91	\$ 0.81	\$ 1.70	\$ 1.59

Financial Highlights

(unaudited)	Three months ended June 30			Six months ended June 30		
	2008	2007	Change	2008	2007	Change
Net income (\$ millions)						
Adjusted ⁽¹⁾	\$ 216.1	\$ 215.9	0.1 %	\$ 427.3	\$ 426.4	0.2 %
GAAP	241.1	215.9	11.7	452.3	426.4	6.1
Diluted earnings per share						
Adjusted ⁽¹⁾	0.81	0.81	-	1.61	1.59	1.3
GAAP	0.91	0.81	12.3	1.70	1.59	6.9
Return on equity						
Adjusted ⁽¹⁾				20.2%	21.5%	
GAAP				21.4%	21.5%	
Dividends per share	0.4875	0.4275	14.0	0.9750	0.8550	14.0

Total Assets under management ⁽²⁾ (\$ millions)	\$ 119,669	\$ 125,862	(4.9) %
Investors Group			
Mutual funds	59,006	61,334	(3.8)
Mackenzie			
Mutual funds	43,716	48,502	
Sub-advisory, institutional and other accounts	17,484	16,482	
Total	61,200	64,984	(5.8)
Counsel Group of Funds			
Mutual funds	2,139	2,316	(7.6)

	Investors Group	Mackenzie	Counsel Group of Funds	Total ⁽³⁾
Mutual Funds and Institutional Sales (\$ millions)				
For the three months ended June 30, 2008				
Gross sales	\$ 1,457	\$ 3,328	\$ 63	\$ 4,784
Net sales (redemptions)	(6)	199	(25)	150
For the six months ended June 30, 2008				
Gross sales	\$ 3,410	\$ 6,464	\$ 147	\$ 9,885
Net sales (redemptions)	504	97	(22)	547

⁽¹⁾ Non-GAAP Financial Measures:

2008 results excluded \$25.0 million which represented the Company's proportionate share of Great-West Lifeco Inc's after-tax gain on the sale of its healthcare business, Great-West Healthcare.

⁽²⁾ Total assets under management excluded \$2.6 billion of assets sub-advised by Mackenzie on behalf of Investors Group (\$2.7 billion at June 30, 2007) and was adjusted for \$27 million in inter-segment assets (\$34 million at June 30, 2007).

⁽³⁾ Total Gross Sales and Net Sales for the three months ended June 30, 2008 excluded \$64 million and \$18 million respectively in accounts sub-advised by Mackenzie on behalf of Investors Group. Total Gross Sales and Net Sales for the six months ended June 30, 2008 excluded \$136 million and \$32 million respectively in accounts sub-advised by Mackenzie on behalf of Investors Group.