

Attention Business Editors:

Hymas Investment Management labels Industrial Alliance New Preferred Issue "Over-Priced"

TORONTO, Feb. 16 /CNW/ - James Hymas, President of Hymas Investment Management Inc. ("HIMI"), stated today that after examination of the prospectus for the issue of Industrial Alliance Insurance and Financial Services Inc Non-Cumulative Class A Preferred Shares Series B (the "Issue") and comparison with existing issues available in the marketplace, he considers them over-priced at the new issue offering level of \$25. Taxable investors in Ontario's highest tax-bracket may reasonably expect to do better with other preferred shares, he stated.

"Using HIMIPref(TM), my firm's software developed for preferred share analysis, I estimate that the present value of the cash flows on offer in this Issue are worth about \$23.25 when discounted similarly to other high-quality issues trading on the TSX. There is, as with any new issue in recent times, a liquidity premium that should be applied - in this case, worth about \$1.40 at the levels investors are now paying for the privilege of buying large quantities - but even with this boost the shares are still overpriced. Retail investors in particular should not have to pay such exorbitant premia and even institutional investors should be looking askance at the prospect of paying the equivalent of eighteen months of dividends for the purpose of investing cash".

HIMIPref(TM) is quantitative fixed income analytical tool that has been developed for the express purpose of analyzing Canada's preferred share market. Market prices for all issues tracked are used to construct a self-consistent yield curve, which may then be used to compare issues with varying terms and features. Other adjustments produce an overall determination of the relative valuation of each issue which has proved in practice to be a useful indicator of future returns in this market. HIMIPref(TM) has recently been made available for subscription by asset managers, dealers and other institutions at www.prefshares.com, where a full description of the analytical process is available.

"It should not be thought that this evaluation of the Issue price reflects poorly in any way upon Industrial Alliance, its future prospects or its credit-worthiness", Mr. Hymas stressed. "Indeed, the ability to finance their operations so cheaply is a tribute to the acumen of their treasury department and advisors. But investors in preferred shares have alternatives that are projected by HIMIPref(TM) to produce better returns."

HIMI offers portfolio management services to accredited investors in Ontario through its flagship "Malachite Aggressive Preferred Fund".

The statements and analyses in this press release are based on material believed by HIMI to be reliable, but cannot be guaranteed to be accurate or complete. The views expressed herein should not be construed as constituting investment, legal or tax advice to any investor, nor as an offer or solicitation of an offer to buy or sell any of the securities mentioned herein. Such views are provided for information purposes only, and neither HIMI nor any of its directors, officers or shareholders accept any liability for investment decisions which are based upon the information contained or views expressed herein. Particular investments and investing strategies should be evaluated relative to each investor's individual financial situation, investment objectives and risk tolerances, among other factors, and this

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