ANNUAL SHAREHOLDER MEETING

FRIDAY, MAY 13, 2011

PRESIDENT'S ADDRESS

BY

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POWER CORPORATION OF CANADA

FORWARD-LOOKING STATEMENTS > Certain statements in this document, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the Corporation's current expectations, or with respect to disclosure regarding the Corporation's public subsidiaries, reflects such subsidiaries' disclosed current expectations. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Corporation's financial performance, financial position or cash flows 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 and the reader is 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 Corporation and its subsidiaries, 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".

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 factors, many of which are beyond the Corporation's and its subsidiaries' control, affect the operations, performance and results of the Corporation 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, business competition, operational and reputational risks, technological change, changes in government regulation and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, the Corporation's and its subsidiaries' ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Corporation's and its subsidiaries' success in anticipating and managing the foregoing factors.

The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including that the foregoing list of factors, collectively, are not expected to have a material impact on the Corporation and its subsidiaries. While the Corporation considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.

Other than as specifically required by law, the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is 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 Corporation's business is provided in its disclosure materials, including its Annual Information Form and its most recent Management's Discussion and Analysis, filed with the securities regulatory authorities in Canada, available at www.sedar.com.

NON-IFRS FINANCIAL MEASURES > In analysing the financial results of the Corporation and consistent with the presentation in previous years, net earnings are subdivided into the following components:

> operating earnings; 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, and also include the Corporation's share of any such item presented in a comparable manner by its subsidiaries and associates, as defined under IFRS.

Management has used these financial measures for many years in its presentation and analysis of the financial performance of Power Corporation, and believes that they provide additional meaningful information to readers in their analysis of the results of the Corporation.

Operating earnings and operating earnings per share are non-IFRS financial measures that do not have a standard meaning and may not be comparable to similar measures used by other entities.

The visual presentation accompanying Mr. André Desmarais' remarks is available on the Corporation's website at www.powercorporation.com.

PRESIDENT'S ADDRESS

TO THE ANNUAL MEETING OF SHAREHOLDERS

POWER CORPORATION OF CANADA

MAY 13, 2011

It is a pleasure for me to report to you on developments at Power Corporation during the past year. I will start by commenting on the financial results for the full-year 2010. I will then discuss group developments since the last shareholder meeting, and I will also be announcing our results for the first quarter of 2011, as well as the quarterly dividend. Please note that unless otherwise indicated, all figures are in Canadian dollars.

The year 2010 saw progress towards greater financial market stability and economic recovery following one of the most challenging periods in recent history. In this improving environment, Power Corporation has remained committed to its business model of active involvement through the boards of directors of group companies, a prudent risk management culture and a long-term perspective which has produced value for our shareholders over many years.

The companies in the Power Financial group, which are focused on protection, asset management and retirement savings products and services, continued to experience higher sales and gains in market share. The companies benefited from continued investment in their distribution and product capabilities and from the financial strength and stability they have demonstrated during the financial crisis. Throughout much of the year, management focused on growth plans, cost management, building distribution channels and evaluating opportunities for revenue growth.

FINANCIAL RESULTS FOR 2010

I will now turn to the full-year results for 2010.

Power Corporation of Canada reported operating earnings of $1.006 billion or $2.11 per share, compared with $867 million or $1.81 per share in 2009. This represents an increase of 16.6 % on a per share basis.

Net earnings were $907 million for 2010, compared with $682 million in 2009.

The Corporation maintained its participating shareholder dividend at a quarterly rate of 29 cents in 2010.

GROUP COMPANIES' RESULTS

I will now discuss the financial results of the companies in our group.

POWER FINANCIAL

Power Corporation holds 66.1 % of the common equity of Power Financial Corporation.

Power Financial's operating earnings for the year ended December 31, 2010 were $1.733 billion, compared with $1.533 billion in 2009, an increase of 13%. Operating earnings per share were $2.31, compared with $2.05 in 2009.

Power Financial's net earnings were $1.584 billion or $2.10 per share in 2010, compared with $1.439 billion or $1.92 per share in 2009.

Our group has always been and remains focused upon building value over the long term. In this regard, 15-year performance remains outstanding. Compounded annual rates of return to Power Financial shareholders are 17.7% over 15 years.

Power Financial's return to shareholders has not only outperformed over the long term, but it has also outperformed in recent years.

Great-West Lifeco and IGM make up 93% of Power Financial's earnings. On a relative basis, Great-West Lifeco's total shareholder returns have materially outperformed its Canadian and U.S. life insurance peers over the past three years.

The same can be said for IGM Financial and its asset management peers.

And this relative outperformance is also true at the Power Financial level.

We of course strive to create greater value for our shareholders over time than what has been realized during these past few years. We take satisfaction nonetheless in knowing that our shares have not only outperformed over the long term in good markets, but they have also done so during these past few years of economic stress.

GREAT-WEST LIFECO

I will now talk about Great-West Lifeco.

Power Financial holds a 71% economic interest in Great-West Lifeco, which has operations in Canada, the United States and Europe.

Looking at the results for the year, Great-West Lifeco reported operating earnings attributable to common shareholders of $1.861 billion in 2010, up over 14% from 2009.

Great-West Lifeco's results in 2010 benefited from improved economic and market conditions. Higher average stock markets positively impacted earnings. As well, reduced credit concerns meant lower charges for credit losses.

Last year I reported that Great-West Lifeco had performed very strongly during one of the most difficult economic environments in generations. Today, I can report continued success as the company's earnings stability and profitability continue to lead the industry and its balance sheet remains strong.

On the sales front, Great-West Lifeco had a very successful 2010. On a constant currency basis, sales grew from $44 billion in 2009 to $57 billion in 2010. This is an impressive increase of 29%, with the growth coming from all three geographic regions.

In Canada, one of Great-West Lifeco's greatest strengths and a key differentiator is its deep commitment to building and sustaining the advisor channel. This strategy is further leveraged by the strength of our Canadian insurance brands – Great-West Life, London Life and Canada Life. This strong commitment to distribution is reflected in industry-leading Canadian market shares across most products, from 26% in most individual products to 20% in group retirement. In total, Great-West Life, London Life and Canada Life serve the financial security needs of 12 million Canadians.

Sales growth in 2010 was strong across the products and markets, up 26% in individual insurance, 31% in proprietary investment funds and 39% in group retirement products.

In Europe, Great-West Lifeco has operations through Canada Life in the United Kingdom, Isle of Man, Germany and Ireland. The European segment is composed of two business units: insurance and annuities and reinsurance. Net income in Europe for 2010 was $578 million or 9% higher than in 2009. This was accomplished despite the strengthening Canadian dollar and weak economic conditions in the European markets.

In the United States, Great-West Life & Annuity had record sales in both its business segments – exceeding US$12 billion in Retirement Services and US$1 billion in Individual Markets – for an overall 34% increase in sales. Sales growth has been driven by an expanded sales force, investment in new products and the company's financial stability through the crisis, in contrast to many of its competitors. Great-West Retirement Services is the number one provider of retirement plans to states which, together with municipalities and other public entities, we call the Public/Non-Profit (PNP) sector.

Strong sales growth of PNP plans as well as a 25% annual increase of corporate retirement plan sales, or 401(k) plans, brought the total retirement participant count to 4.4 million individuals.

This places Great-West Life & Annuity as the fourth largest Defined Contribution record keeper in the United States.

Let me now talk about Putnam Investments. In 2010, Putnam strengthened its business in all areas, with improvements in profitability, excellent investment performance and strong growth in sales.

Assets under management ended the year at US$121.2 billion and were over $130 billion at the end of last April. Average assets under management increased 10% in 2010 as compared to 2009. This resulted in a US$77 million improvement in earnings from continuing operations from higher fee income as well as lower operating expenses.

Putnam had another year of delivering excellent investment performance to its clients. Putnam followed up its #1 position in *Barron's* 2009 Mutual Fund rankings with another year of top quartile *Barron's* rankings in 2010. *Institutional Investor* magazine also named Putnam Investments "Mutual Fund Manager of the Year". Eighty per cent of Putnam's mutual funds are now ahead of their Lipper medians on a three-year basis. This is a remarkable turnaround from several years ago.

This strong performance, together with innovative product launches, resulted in a 27% increase in gross sales of investment products in 2010. The momentum continues into 2011. For example, in its retail segment (sales to individual clients) Putnam's daily average sales stood at nearly $54 million in the first quarter of 2011, showing strong progress over the same periods in 2010 and 2009.

Putnam also has strong momentum with institutional clients around the world, both directly and through its majority-owned subsidiary, PanAgora.

The result is that Putnam reported net inflows of $1.8 billion for the first quarter of 2011, compared with net outflows of $125 million in the first quarter of 2010, and marking its first quarter with over $1 billion in net inflows since 2001.

Finally, in the U.S. 401(k) retirement market, Putnam is investing heavily and has created one of the most attractive and talked-about offerings available. Putnam's 401(k) service is supported by the administrative platform of Great-West Life & Annuity in Denver. Putnam's retirement offering recently won 25 "Best in Class" awards from *Plan Sponsor* magazine and Putnam was just named "Retirement Leader of the Year" by both *Fund Directions* and *Fund Action* publications.

Putnam is re-emerging as a force in U.S. and global asset management. We believe that the decision to continue to invest and build in the face of difficult market conditions will ultimately reward the shareholders of Great-West Lifeco, Power Financial and Power Corporation.

IGM FINANCIAL

Power Financial's other significant financial services subsidiary is IGM Financial, in which it holds a 59% economic interest. IGM is one of Canada's premier financial service companies and is the leading provider of long-term mutual funds in Canada.

IGM Financial's operating earnings for 2010 were $734 million compared with $622 million in 2009, an increase of 18%.

IGM's total assets under management at the end of 2010 were $129.5 billion, up from $120.5 billion at the end of 2009.

Turning to IGM Financial's operating subsidiaries, Investors Group had a redemption rate for its long-term mutual funds of 8.3% in 2010, substantially below industry levels. Mutual fund gross sales increased by 14% in 2010 to $5.7 billion. Net sales of mutual funds were $253 million compared with $404 million in 2009. Assets under management increased by 7.2% to $61.8 billion at December 31, 2010.

Mackenzie Financial had total sales of $12.2 billion in 2010, compared with $11.6 billion in 2009, an increase of 4.5%. Mackenzie experienced net redemptions of $1.5 billion for the year, similar to the 2009 level. As at December 31, 2010, total assets under management were $68.3 billion, up 7.5% from the prior year-end.

PARGESA GROUP

I will now discuss the Pargesa group in Europe. Together with the Frère Group of Belgium, Power Financial holds a 54.1% equity interest in Pargesa. At December 31, 2010, Pargesa held a 50% equity interest and 52.0% of the voting shares in the Belgian holding company Groupe Bruxelles Lambert.

Pargesa reported operating earnings of SF465 million in 2010, compared with SF512 million in 2009. This represents a decrease of 9.2% resulting from a variety of factors, including an exceptional dividend paid by GDF Suez in 2009 and by a fall in the average exchange rate of the euro against the Swiss franc.

For Power Financial, this translates to a contribution of $120 million to operating earnings in 2010, compared with $141 million in 2009.

An overview of the leading companies in the Pargesa portfolio and their contribution to Pargesa's operating earnings has been provided in our public documents, available on our website.

ASIA

CITIC PACIFIC

In Asia, Power Corporation holds an approximately 4.3% interest in CITIC Pacific. The contribution from CITIC Pacific to Power's results consists of dividend income. In 2010, Power received dividends of $9 million from CITIC Pacific. The company realized a profit of HK$8.9 billion for the year 2010, the second highest in its history, a 49.8% increase from 2009.

The number one priority for CITIC Pacific management continues to be the construction of its iron ore mine in Western Australia and bringing it into production as early as possible. Major project facilities are currently being completed. CITIC's goal is to begin commissioning the first production line by the end of July, with the export of iron ore commencing in the later part of 2011.

More information concerning CITIC Pacific's operations and financial results has been provided by CITIC Pacific in its public documents, available on the Internet.

Before I make brief remarks about our QFII investment in China, I would like to provide some context. Power Corporation has established asset management teams in China, Europe and the United States. Power has also invested in private equity and hedge funds. Together, these investments contributed $9 million to Power's earnings in 2010, compared to $6 million in 2009. The unrealized gains on these investments were approximately $240 million at the end of 2010.

OTHER INVESTMENTS

QFII

In China, our asset management team manages a portfolio of investments in Chinese "A" shares. "A" shares represent common shares of Chinese public companies which can normally only be acquired by local Chinese citizens and which are traded on the Shanghai and Shenzhen stock exchanges. Since 2005, Power operates as a Qualified Foreign Institutional Investor (or QFII), with an initial investment quota of US$50 million. Power was the first Canadian company to be granted QFII status. The value of the QFII portfolio at December 31, 2010 was $239 million.

While the underlying economy in China maintained its growth momentum in 2010, China's equity market experienced volatility due to a number of factors, including government policies introduced because of rising inflation expectations and asset bubbles in certain sectors of the economy. The volatility in the market presented significant challenges and opportunities, given the Corporation's value-driven investment approach.

Power continues to focus on building the strength of its local investment team. The team seeks long-term positions in Chinese companies with strong fundamentals and values investments that are likely to benefit from future growth in China.

EUROPE

Let me also say a few words about our European investment funds. Sagard SAS, a subsidiary of the Corporation based in Paris, manages two private equity funds, Sagard 1 and Sagard 2. In Fund 1, Sagard made 12 investments, of which 8 had been sold at December 31, generating solid returns and earnings for the Corporation. The remaining investments in Sagard 1 are doing well and we expect to see other realizations completed in the near future. As for Sagard 2, it currently holds four investments. We also look forward to creating value in Sagard 2 in the future. The cost to Power of the remaining investments in both funds at 2010 year-end was $95 million, on which there are unrealized gains for Power of $50 million.

UNITED STATES

In the United States, Sagard Capital Partners, an investment fund that is indirectly wholly owned by the Corporation, has been investing in small- to mid-sized public companies. The fund currently holds several investments in its portfolio.

Sagard Capital has made total investments of US$168 million. Given the recent market environment, we are encouraged by the fact that the value of the portfolio at December 31, 2010 was US$215 million.

INVESTMENT IN FUNDS

Over the years, Power Corporation has also invested in a selected number of private equity investment funds, hedge funds and securities which have historically generated superior rates of return and earnings for the Corporation.

In particular, we have built our portfolio of private equity and venture capital funds around relationships with independent fund managers that have demonstrated the long-term quality and resilience of their franchises.

Power's investments in these funds have generated over the years an internal rate of return in excess of 17%.

While the contribution of these investments to our earnings can vary from year to year, the funds continued to have a strong performance in 2010 and made a positive contribution to the company's profitability.

COMMUNICATIONS AND MEDIA

I will now turn to our communications interests.

Through wholly owned subsidiaries, the Corporation participates in many sectors of the communications industry.

Gesca holds the Corporation's news media operations, including Canada's leading French-language daily, *La Presse*. The paper is known for its quality national and international coverage, exclusive reports, innovative presentation and columnists whose work has received many awards for excellence in journalism.

Due to the contribution of *La Presse* employees and the reduction efforts made during the revision of its cost structure, the newspaper's results have rebounded. As well, Gesca holds six regional newspapers which are deeply embedded institutions in the communities they serve. The regional papers are also going through cost reduction efforts. These companies are now well positioned to face the challenges of the industry.

Innovation at Gesca has brought success. Its news website Cyberpresse.ca has become the leading French-language online news and information site in Canada and, in 2010, enjoyed the largest increase in traffic of all leading news sites in Canada. Gesca also innovated with its Cyberpresse and La Presse Hockey iPhone applications.

Square Victoria Digital Properties (SVDP) holds the Corporation's interest in digital media, television production, book and magazine publishing. SVDP is particularly active in the digital space, through its interest in Workopolis, the leading online recruitment company in Canada, and through investments in other leading digital businesses. SVDP also owns La Presse Télé, one of the leading independent television production companies in Québec.

RESULTS FOR THE FIRST QUARTER OF 2011

Ladies and gentlemen, I will now report on Power Corporation's results for the first quarter of 2011. This is the first time the Corporation reports under IFRS and comparative figures for the first quarter of 2010 are reported below under this new basis.

Operating earnings were $228 million or $0.47 per share, compared with $219 million or $0.46 per share in the corresponding period of 2010.

Net earnings attributable to participating shareholders were $216 million or $0.47 per share, compared with $165 million or $0.36 per share in the first quarter of 2010.

DIVIDENDS

I am also pleased to announce that at its meeting this morning, the Board of Directors, in addition to declaring the regular dividend on the Non-Participating Preferred Shares, declared a quarterly dividend on the Participating Preferred and Subordinate Voting Shares of 29 cents per share, thus maintaining Power Corporation's previous dividend.

VALUE OF ADVICE

I would now like to say a few words about the value of financial advice. Mr. Jeffrey Orr, the President and Chief Executive of Power Financial Corporation, made some very interesting observations on this subject yesterday during Power Financial's annual meeting of shareholders, which I would also like to share with you today. I will therefore shorten my usual remarks on Power Corporation's long-term returns. These returns, I should add, remain solid. I will only mention that $100 invested fifteen years ago in the TSX index would be worth $387 as of December 31, 2010. The same $100 invested in Power Corporation was worth $796, at a 2010 year-end closing stock price of $27.67.

Let me now get back to the value of financial advice.

Canadians' use of financial advisors is an important factor in enabling them to plan for and live comfortably in retirement. Financial advisors help Canadians prepare for their retirement by setting long-range goals, by encouraging regular savings habits and by helping them choose the right mix of investment, insurance and other products that are appropriate for their circumstances.

Ipsos Reed has surveyed households from across Canada to measure their financial well-being. The chart on slide 60 summarizes the average registered balances in brown and shows the additional average non-registered savings in blue across various household income levels. Registered balances are investments held in a tax-assisted savings vehicle such as an RRSP or a TFSA.

This Ipsos Reed data can also be split by households that use a financial advisor and those that do not (slide 61).

The differences in average invested assets at each level of income is truly amazing, with households using a financial advisor having assets which are 1.6 times greater at the higher income levels and 4 to 7 times greater at lower income levels. The impact that a financial advisor has on helping people to save and keep saving is truly remarkable.

The same data can also be organized by age (slide 62), showing an increased interest in non-registered savings vehicles as people get older, as they increase their rate of savings, often beyond RRSP limits. Over 65, retirees are forced to take income in cash from RRIFs and pensions but many redeploy some of this income to increase their non-registered savings.

This data can also be split by whether a financial advisor is involved (slide 63).

The degree of difference in savings balances by age is even more dramatic than by income, with multiples of 3 to 5 times the invested assets where households have a financial advisor. The wide difference at the older ages is reflective of the compounding effect of the value added by financial advice over the years.

THE POWER GROUP

The investing activities of Power Corporation continue to follow our long tradition of deep fundamental analysis, building on the insights of our corporate group, effective governance through the boards of directors of our companies, a determined focus on strategy, human resources and capital, and a measured approach to risk and balance sheet management. We anticipate continuing to make further investments in pursuit of our strategy and exploring new directions as markets and opportunities present themselves.

Your Directors and Management seek to deliver attractive long-term shareholder returns as reflected in our long-term share price and dividend growth performance. The operating environment for Power Corporation's companies and investments will likely continue to be challenging. Nevertheless, we believe our prudent and deliberate style of management and governance provides us with a platform to take advantage of opportunities presented by the emerging recovery in the global economies.

CONCLUSION

To conclude, I would like to express our gratitude to the management and directors as well as the employees of Power Corporation and its group companies who have contributed to the solid results that the Power group has achieved. I also wish to thank the clients of our group of companies for the trust and support they have shown.

Finally, I want to thank you, our shareholders, for your continuing support and for your attention today.