



Power Corporation Reports Fourth Quarter and 2017 Financial Results

Readers are referred to the sections "Non-IFRS Financial Measures and Presentation" and "Forward-Looking Statements" at the end of this release.

Montréal, Québec, March 23, 2018 – Power Corporation of Canada (TSX: POW) today reported earnings results for the fourth quarter and the twelve months ended December 31, 2017.

Consolidated Results of Power Corporation

For the period ended December 31

Fourth Quarter

Net earnings attributable to participating shareholders were \$208 million or \$0.44 per share, compared with \$459 million or \$0.99 per share in 2016.

Adjusted net earnings attributable to participating shareholders (a non-IFRS financial measure) were \$419 million or \$0.90 per share, compared with \$412 million or \$0.89 per share in 2016.

Contributions from Power Financial Corporation (Power Financial), the Sagard Investment Funds, China Asset Management Co., Ltd. (China AMC) and Other investments, and from Corporate and Other subsidiaries to the Corporation's adjusted net earnings were:

(in millions of dollars)	2017	2016
• Power Financial	359	357
• Sagard Investment Funds, China AMC and Other investments	139	119
• Corporate and Other subsidiaries	(79)	(64)
	419	412

Other items, not included in adjusted net earnings, were a net charge of \$211 million, representing the Corporation's share of Other items at Power Financial.

Twelve Months

Net earnings attributable to participating shareholders were \$1,286 million or \$2.77 per share, compared with \$1,082 million or \$2.33 per share in 2016.

Adjusted net earnings attributable to participating shareholders were \$1,560 million or \$3.36 per share, compared with \$1,223 million or \$2.64 per share in 2016.

Contributions from Power Financial, the Sagard Investment Funds, China AMC and Other investments, and from Corporate and Other subsidiaries to the Corporation's adjusted net earnings were:

(in millions of dollars)	2017	2016
• Power Financial	1,400	1,400
• Sagard Investment Funds, China AMC and Other investments	445	74
• Corporate and Other subsidiaries	(285)	(251)
	1,560	1,223

Other items, not included in adjusted net earnings, were a net charge of \$274 million, representing the Corporation's share of Other items at Power Financial.



Net earnings and adjusted net earnings reflect a \$175 million loss at Great-West Lifeco Inc. (Lifeco) related to estimated hurricane claims, the Corporation's share being \$81 million.

Power Financial Corporation

For the period ended December 31

- Earlier today, Power Financial announced a 5% increase in the quarterly dividend on its common shares, from \$0.4125 to \$0.4330 per share, payable on May 1, 2018.
- Assets under administration increased to \$1.521 trillion, compared with \$1.404 trillion in 2016.

Fourth Quarter

Net earnings attributable to common shareholders were \$225 million or \$0.32 per share, compared with \$616 million or \$0.86 per share in 2016.

Adjusted net earnings attributable to common shareholders were \$547 million or \$0.77 per share, the same as in 2016.

Other items, not included in adjusted net earnings, were a net charge of \$322 million representing Power Financial's share of the net impact of U.S. tax reform and a net charge on the disposal of an equity investment at Lifeco, and of IGM Financial's (IGM) restructuring and other charges related to the implementation of initiatives to assist in its operational effectiveness.

Twelve Months

Net earnings attributable to common shareholders were \$1,717 million or \$2.41 per share, compared with \$1,919 million or \$2.69 per share in 2016.

Adjusted net earnings attributable to common shareholders were \$2,135 million or \$2.99 per share, compared with \$2,136 million or \$2.99 per share in 2016.

Other items, not included in adjusted net earnings, were a net charge of \$418 million. In addition to the items discussed above, Other items in the first three quarters included a net charge of \$96 million mainly related to Power Financial's share of restructuring charges at Lifeco for the realignment of its Canadian operations, and of IGM's revaluation of its pension plan obligations.

As at December 31, 2017, Power Corporation held a 65.5% economic interest in Power Financial.



Sagard Investment Funds, China AMC and Other Investments

For the period ended December 31

- Total fair value of the Sagard Funds increased to \$2,107 million, compared with \$1,816 million in 2016. Unrealized gains on non-controlled portfolio investments were \$332 million, compared with \$121 million in 2016.
- Additional 3.9% interest acquired in China AMC, which had assets under management of RMB¥870 billion (\$168 billion) at December 31, 2017.
- Sagard Holdings launched Sagard Credit Partners LP with committed capital of US\$260 million.

Fourth Quarter

Income from investments was \$139 million, compared with \$119 million in 2016. On December 29, 2017, Sagard Holdings disposed of its controlling interest in Vein Clinics of America, Inc. (Vein Clinics), for a gain of \$67 million.

Twelve Months

Income from investments was \$445 million, compared with \$74 million in 2016. Income from investments in the twelve-month period included a gain of \$174 million on the Corporation's investment in China AMC and income of \$100 million from private equity funds.

Dividends on Participating Shares

On February 14, 2018, the Board of Directors announced the declaration of a quarterly dividend of 35.85 cents per share on the Participating Preferred Shares and the Subordinate Voting Shares of the Corporation, payable March 29, 2018 to shareholders of record March 8, 2018.

Dividends on Non-Participating Preferred Shares

On February 14, 2018, the Board of Directors also announced the declaration of quarterly dividends on the Corporation's preferred shares, payable April 15, 2018 to shareholders of record March 23, 2018:

Series	Stock Symbol	Amount	Series	Stock Symbol	Amount
1986 Series	POW.PR.F	29.05¢ ^[1]	Series C	POW.PR.C	36.25¢
Series A	POW.PR.A	35¢	Series D	POW.PR.D	31.25¢
Series B	POW.PR.B	33.4375¢	Series G	POW.PR.G	35¢

[1] Equal to one quarter of 70% of the average prime rate of two major Canadian chartered banks for the period December 1, 2017 to February 28, 2018.

About Power Corporation

Power Corporation of Canada is a diversified international management and holding company that holds interests in the financial services, sustainable and renewable energy, asset management, communications and other business sectors in North America, Europe and Asia. To learn more, visit www.PowerCorporation.com.



Earnings Summary

(unaudited) (in millions of Canadian dollars, except per share amounts)	Three months ended December 31,		Twelve months ended December 31,	
	2017	2016	2017	2016
Adjusted net earnings				
Power Financial	359	357	1,400	1,400
Other subsidiaries ^[1]	(24)	(15)	(89)	(65)
	335	342	1,311	1,335
Corporate operations				
Income – Sagard Investment Funds, China AMC and Other Investments ^[2]	139	119	445	74
Operating and other expenses	(42)	(36)	(144)	(134)
Dividends on non-participating shares	(13)	(13)	(52)	(52)
Adjusted net earnings ^[3]	419	412	1,560	1,223
Other items – see below	(211)	47	(274)	(141)
Net earnings ^[3]	208	459	1,286	1,082
Earnings per share – Basic ^[3]				
Adjusted net earnings	0.90	0.89	3.36	2.64
Other items	(0.46)	0.10	(0.59)	(0.31)
Net earnings	0.44	0.99	2.77	2.33

[1] Comprised of: Power Energy Corporation, Square Victoria Communications Group Inc., and controlled portfolio investments IntegraMed America, Inc. and Vein Clinics. Vein Clinics was disposed of on December 29, 2017.

[2] Excludes earnings (losses) from controlled portfolio investments.

[3] Attributable to participating shareholders.

Sagard Investment Funds

	December 31, 2017				December 31, 2016			
	Sagard Europe	Sagard Holdings	Sagard China	Total	Sagard Europe	Sagard Holdings	Sagard China	Total
Cost	250	402	570	1,222	211	388	306	905
Unrealized gain (loss)	249	(5)	88	332	70	41	10	121
Fair value of non-controlled portfolio investments	499	397	658	1,554	281	429	316	1,026
Cash	-	219	126	345	-	125	331	456
Fair value of controlled portfolio investments and other	-	208	-	208	-	334	-	334
Total fair value	499	824	784	2,107	281	888	647	1,816



Income – Sagard Investment Funds, China AMC and Other Investments

(unaudited) (in millions of Canadian dollars)	Three months ended December 31,		Twelve months ended December 31,	
	2017	2016	2017	2016
Sagard Investment Funds ^[1]				
Sagard Europe	4	19	5	14
Sagard Holdings ^[2, 3]	87	66	92	27
Sagard China	30	26	69	16
China AMC ^[4]	7	-	184	6
Other Investments				
Investment and hedge funds	10	7	100	19
Other ^[5]	1	1	(5)	(8)
	139	119	445	74

[1] Income from investments for the Sagard Investment Funds is presented net of expenses of their separate dedicated teams.

[2] Excludes the Corporation's share of the results of IntegraMed America, Inc. and Vein Clinics, presented in adjusted net earnings as Other subsidiaries. Includes a gain of \$67 million on the disposal of Vein Clinics.

[3] Includes share of earnings (loss) from investments in a jointly controlled corporation and an associate.

[4] Previously accumulated unrealized gains of \$174 million were recognized as income upon attaining significant influence in the third quarter.

[5] Consisting mainly of foreign exchange gains or losses and interest on cash and cash equivalents.

Other Items (Share of Power Financial's)

(unaudited) (in millions of Canadian dollars)	Three months ended December 31,		Twelve months ended December 31,	
	2017	2016	2017	2016
Power Financial's share of Other items:				
Lifeco				
Impact of U.S. tax reform	(96)	-	(96)	-
Restructuring charges	(2)	(10)	(71)	(20)
Net charge on sale of an equity investment	(54)	-	(54)	-
Share of IGM's Other items	(2)	-	(2)	-
	(154)	(10)	(223)	(20)
IGM				
Restructuring and other charges	(52)	-	(58)	-
Pension plan	-	-	15	-
Reduction of income tax estimates	-	14	-	14
Share of Lifeco's Other items	(5)	-	(8)	-
	(57)	14	(51)	14
Pargesa Holding SA				
Total SA – Gains on partial disposal	-	48	-	115
LafargeHolcim Ltd – Impairment charges	-	-	-	(237)
Engie – Impairment charge and loss on partial disposal	-	(3)	-	(9)
Other (charge) income	-	(2)	-	(4)
	-	43	-	(135)
	(211)	47	(274)	(141)



Non-IFRS Financial Measures and Presentation

Net earnings attributable to participating shareholders are comprised of:

- Adjusted net earnings attributable to participating shareholders; and
- Other items, which include the after-tax impact of any item that in management's judgment would make the period-over-period comparison of results from operations less meaningful. Other items include the Corporation's share of items presented as Other items by a subsidiary or a jointly controlled corporation.

Management uses these financial measures 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. Adjusted net earnings, as defined by the Corporation, assist the reader in comparing the current period's results to those of previous periods as items that are not considered to be part of ongoing activities are excluded from this non-IFRS measure.

Adjusted net earnings attributable to participating shareholders and adjusted net 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 Corporation also uses a non-consolidated basis of presentation to present and analyze its results whereby the Corporation's interests in Power Financial and other subsidiaries are accounted for using the equity method. Presentation on a non-consolidated basis is a non-IFRS presentation. However, it is useful to the reader as it presents the holding company's (parent) results separately from the results of its operating subsidiaries.

Eligible Dividends

For purposes of the *Income Tax Act* (Canada) and any similar provincial legislation, all of the above dividends on the Corporation's preferred shares (including the Participating Preferred Shares) and Subordinate Voting Shares are eligible dividends.

Forward-Looking Statements

Certain statements in this news release, 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, reflect 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 and 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, fluctuations in interest, inflation and foreign exchange rates, monetary policies, business investment and the health of local and global equity and capital markets, management of market liquidity and funding risks, risks related to investments in private companies and illiquid securities, risks associated with financial instruments, changes in accounting policies and methods used to report financial condition (including uncertainties associated with significant judgments, estimates and assumptions), the effect of applying future accounting changes, business competition, operational and reputational risks, technological changes, cybersecurity risks, 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 list of factors in the previous paragraph, 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 applicable Canadian 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 and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials, including its most recent Management's Discussion and Analysis and Annual Information Form, filed with the securities regulatory authorities in Canada and available at www.sedar.com.

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