



## Power Corporation Reports First Quarter Financial Results and Dividend Increase

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

Montréal, Québec, May 11, 2018 – Power Corporation of Canada (TSX: POW) today reported earnings results for the three months ended March 31, 2018.

### Consolidated Results of Power Corporation For the period ended March 31

- Record quarterly earnings of \$525 million.
- The Board of Directors today declared a 6.6% increase in the quarterly dividend from 35.85 cents to 38.20 cents per share on the Corporation's participating shares.

#### First Quarter

Net earnings attributable to participating shareholders and adjusted net earnings attributable to participating shareholders (a non-IFRS financial measure) were \$525 million or \$1.13 per share, compared with net earnings of \$258 million, or \$0.56 per share, and adjusted net earnings of \$269 million, or \$0.58 per share, in 2017.

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)	2018	2017
• Power Financial	383	329
• Sagard Investment Funds, China AMC and Other investments	227	21
• Corporate and Other subsidiaries	(85)	(81)
	525	269

### Power Financial Corporation For the period ended March 31

- Adjusted net earnings increased \$85 million from the corresponding quarter of 2017, an increase of 17%.

#### First Quarter

Net earnings and adjusted net earnings attributable to common shareholders were \$586 million or \$0.82 per share, compared with net earnings of \$484 million, or \$0.68 per share, and adjusted net earnings of \$501 million, or \$0.70 per share, in 2017.

On May 10, 2018, Power Financial declared a quarterly dividend of \$0.4330 per common share, compared with \$0.4125 in the corresponding quarter in 2017.



## Sagard Investment Funds, China AMC and Other Investments

For the period ended March 31

- Positive contribution from each of the three Sagard Investment Funds. Realized gains of \$168 million in Sagard Europe, \$7 million in Sagard Holdings and \$31 million in Sagard China.

### First Quarter

Income from investments was \$227 million, compared with \$21 million in 2017.

## Dividends on Power Corporation Participating Shares

The Board of Directors today declared a 6.6% increase in the quarterly dividend from 35.85 cents to 38.20 cents per share on the Participating Preferred Shares and the Subordinate Voting Shares of the Corporation, payable June 29, 2018 to shareholders of record June 8, 2018.

## Dividends on Power Corporation Non-Participating Preferred Shares

The Board of Directors also declared quarterly dividends on the Corporation's preferred shares, payable July 15, 2018 to shareholders of record June 22, 2018:

Series	Stock Symbol	Amount	Series	Stock Symbol	Amount
1986 Series	POW.PR.F	Floating rate <sup>[1]</sup>	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 March 1, 2018 to May 31, 2018.

## About Power Corporation

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

At March 31, 2018, Power Corporation held the following economic interests:

- 65.5% – Power Financial (TSX: PWF) [www.powerfinancial.com](http://www.powerfinancial.com)
- 100% – Sagard SAS (Europe)<sup>[1]</sup> [www.sagard.com](http://www.sagard.com)
- 100% – Sagard Holdings [www.sagardholdings.com](http://www.sagardholdings.com)
- 100% – Sagard China [www.sagardchina.com](http://www.sagardchina.com)
- 100% – Power Energy Corporation
- 100% – Square Victoria Communications Group Inc.
- 27.8% – China Asset Management Co., Ltd.<sup>[2]</sup> [www.chinaamc.com](http://www.chinaamc.com)

[1] Refer to the Corporation's most recent MD&A for interest in the Sagard Europe Funds.

[2] IGM and the Corporation each hold a 13.9% interest in China AMC.



## Earnings Summary

(unaudited) (in millions of Canadian dollars, except per share amounts)	Three months ended March 31,	
	2018	2017
<b>Adjusted net earnings</b>		
Power Financial	<b>383</b>	329
Other subsidiaries <sup>[1]</sup>	<b>(32)</b>	(29)
	<b>351</b>	300
Corporate operations		
Income – Sagard Investment Funds, China AMC and Other Investments <sup>[2]</sup>	<b>227</b>	21
Operating and other expenses	<b>(40)</b>	(39)
Dividends on non-participating shares	<b>(13)</b>	(13)
<b>Adjusted net earnings</b> <sup>[3]</sup>	<b>525</b>	269
Other items – see below	–	(11)
<b>Net earnings</b> <sup>[3]</sup>	<b>525</b>	258
<b>Earnings per share – Basic</b> <sup>[3]</sup>		
<b>Adjusted net earnings</b>	<b>1.13</b>	0.58
Other items	–	(0.02)
<b>Net earnings</b>	<b>1.13</b>	0.56

[1] Comprised of: Power Energy Corporation, Square Victoria Communications Group Inc., and controlled portfolio investments IntegraMed America, Inc. and Vein Clinics of America, Inc. (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

(unaudited) (in millions of Canadian dollars)	March 31, 2018				December 31, 2017			
	Sagard Europe	Sagard Holdings	Sagard China	Total	Sagard Europe	Sagard Holdings	Sagard China	Total
Cost	<b>274</b>	<b>418</b>	<b>591</b>	<b>1,283</b>	250	402	570	1,222
Unrealized gain (loss)	<b>108</b>	<b>2</b>	<b>93</b>	<b>203</b>	249	(5)	88	332
Fair value of non-controlled portfolio investments	<b>382</b>	<b>420</b>	<b>684</b>	<b>1,486</b>	499	397	658	1,554
Cash	–	<b>194</b>	<b>149</b>	<b>343</b>	–	219	126	345
Fair value of controlled portfolio investments and other	–	<b>231</b>	<b>(2)</b>	<b>229</b>	–	208	–	208
<b>Total fair value</b>	<b>382</b>	<b>845</b>	<b>831</b>	<b>2,058</b>	499	824	784	2,107



## Income – Sagard Investment Funds, China AMC and Other Investments

(unaudited) (in millions of Canadian dollars)	Three months ended March 31,	
	2018	2017
Sagard Investment Funds <sup>[1]</sup>		
Sagard Europe	168	(3)
Sagard Holdings <sup>[2, 3]</sup>	7	9
Sagard China	31	12
China AMC	8	–
Other Investments		
Investment and hedge funds, and other <sup>[4]</sup>	13	3
	<b>227</b>	<b>21</b>

[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.

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

[4] Other consists 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 March 31,	
	2018	2017
Lifeco		
Restructuring charges	–	(13)
Pargesa Holding SA		
Other income	–	2
	–	(11)



### 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](http://www.sedar.com).

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