



## Power Corporation Announces Terms of its Substantial Issuer Bid to Repurchase up to \$1.35 billion of its Subordinate Voting Shares

Readers are referred to the section "Forward-Looking Statements" at the end of this release. All figures are expressed in Canadian dollars.

**Montréal, Québec, March 8, 2019** – Power Corporation of Canada ("Power Corporation", the "Corporation" or "PCC") (TSX: POW) today announced the terms of its previously announced substantial issuer bid (the "PCC Offer") to repurchase for cancellation up to \$1.35 billion of its subordinate voting shares (the "Shares"). The PCC Offer will commence today and expire at 2:00 p.m. (Eastern Time) on April 13, 2019, unless extended or withdrawn.

Great-West Lifeco ("Great-West") earlier today announced the terms of its previously announced substantial issuer bid (the "Great-West Offer") to return capital to shareholders while maintaining significant excess capital to fund strategic investments, including acquisitions, to drive growth and profitability.

Power Financial Corporation ("Power Financial") has also announced that it intends to support Great-West through its participation in the Great-West Offer and expects to use the proceeds from its participation in the Great-West Offer to fund the Power Financial substantial issuer bid (the "PFC Offer"), the terms of which were announced earlier today. The PFC Offer facilitates the repurchase of Power Financial shares at currently attractive valuations while maintaining a strong capital position to fund future growth opportunities. Power Corporation intends to support Power Financial through its participation in the PFC Offer.

Power Corporation, as previously disclosed, expects to use the proceeds from its participation in the PFC Offer, along with the Corporation's available resources, to fund the PCC Offer. The PCC Offer facilitates the repurchase of PCC Shares at currently attractive valuations while maintaining the financial resources to pursue its strategy for long-term value creation across its well-diversified portfolio of investments. Power Corporation's ultimate controlling shareholder, the Desmarais Family Residuary Trust (the "Trust"), has notified the Corporation that it does not intend to participate in the PCC Offer.

### The PCC Offer

The PCC Offer is being made by way of a "modified Dutch auction", which will allow shareholders who choose to participate in the PCC Offer to individually select the price, within a price range of not less than \$28.50 per Share and not more than \$33.00 per Share (in increments of \$0.10 per Share), at which they are willing to sell their Shares. Upon expiry of the PCC Offer, the Corporation will determine the lowest purchase price (which will not be more than \$33.00 per Share and not less than \$28.50 per Share) that will allow it to purchase the maximum number of Shares properly tendered to the PCC Offer, and not properly withdrawn, having an aggregate purchase price not exceeding \$1.35 billion.

The Corporation expects to fund the PCC Offer from the expected receipt of proceeds from its participation in the PFC Offer and the Corporation's available resources. In the event, and to the extent, that such resources are insufficient to fund the PCC Offer, the Corporation has also executed a commitment letter with a Canadian chartered bank to provide for a non-revolving credit facility to fund, in full, the payment for the Shares it has offered to acquire under the PCC Offer.

Shareholders who wish to participate in the PCC Offer will be able to do so through (i) auction tenders in which they will specify the number of Shares being tendered at a specific price per Share; (ii) purchase price tenders in which they will agree to have a specified number of Shares purchased at the purchase price to be determined pursuant to the auction and have their Shares considered as having been tendered at the minimum price of \$28.50 for the purposes of determining the purchase price; or (iii) proportionate tenders in which they will agree



to sell, at the purchase price to be determined pursuant to the auction, a number of Shares that will result in them maintaining their proportionate Share ownership in the Corporation following completion of the PCC Offer. Shareholders who validly deposit Shares without specifying the method in which they are tendering their Shares will be deemed to have made a purchase price tender.

If, after taking into consideration the proportionate tenders, Shares with an aggregate purchase price of more than \$1.35 billion are properly tendered and not properly withdrawn, the Corporation will purchase the Shares on a pro rata basis after giving effect to proportionate tenders and “odd lot” tenders (of shareholders beneficially owning fewer than 100 Shares), which will not be subject to proration. All Shares tendered at or below the finally determined purchase price will be purchased, subject to proration, at the same purchase price determined pursuant to the terms of the PCC Offer. Shares that are not purchased, including Shares tendered pursuant to auction tenders at prices above the purchase price, will be returned to shareholders.

The Corporation’s principal shareholder, the Desmarais Family Residuary Trust, beneficially owns, as of March 5, 2019, 48,363,392 Shares and 48,697,962 of the Corporation’s participating preferred shares (which are not subject to the PCC Offer, but may be converted into Shares), representing approximately 11.6% and 99.7%, respectively, of the issued and outstanding shares of such classes and 20.8% and 59.1%, respectively, of the votes associated with, and quantity of, the total outstanding shares of the Corporation. The Trust has informed the Corporation that it does not intend to participate in the PCC Offer.

Power Corporation’s directors and officers have informed the Corporation that they do not plan to tender any Shares pursuant to the PCC Offer.

## **Additional Information**

The PCC Offer will be for up to a maximum of 47,368,421 Shares or approximately 11.35% of the total number of issued and outstanding Shares on a non-diluted basis (based on full participation and a purchase price equal to the minimum purchase price per Share and 417,223,754 Shares issued and outstanding as of March 5, 2019).

The PCC Offer is optional for all shareholders, who are free to choose whether to participate, how many Shares to tender and, in the case of auction tenders, at what price to tender within the specified range. Any shareholders who do not deposit their Shares (or whose Shares are not repurchased under the PCC Offer) will realize a proportionate increase in their equity interest in the Corporation, to the extent that Shares are purchased under the PCC Offer.

The PCC Offer is not conditional upon any minimum number of Shares being tendered but is subject to various other conditions disclosed in the formal offer to purchase and issuer bid circular. Power Corporation reserves the right, subject to applicable laws, to withdraw or amend the PCC Offer, if certain events occur. The PCC Offer is expected to remain open for acceptance until 2:00 p.m. (Eastern Time) on April 13, 2019, unless extended or withdrawn.

Details of the PCC Offer, including instructions for tendering Shares, will be included in the formal offer to purchase and issuer bid circular, letter of transmittal, notice of guaranteed delivery and other related documents (the “Offer Documents”). The Offer Documents are expected to be mailed to shareholders, filed with applicable Canadian securities regulatory authorities and made available without charge on SEDAR at [www.sedar.com](http://www.sedar.com), and posted on the Corporation’s website at [www.PowerCorporation.com](http://www.PowerCorporation.com), today.

Power Corporation has engaged BMO Capital Markets to act as financial advisor and dealer manager for the PCC Offer. Power Corporation has also engaged Computershare Trust Company of Canada to act as depository for the PCC Offer. Any questions or requests for information regarding the PCC Offer may also be directed to the dealer manager or the depository.



This news release is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell Shares. The solicitation and the offer to buy Shares will only be made pursuant to the Offer Documents filed with the Canadian securities regulatory authorities. The PCC Offer will not be made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making or acceptance of offers to sell Shares would not be in compliance with the laws of that jurisdiction. None of Power Corporation, its Board of Directors, the dealer manager or the depositary makes any recommendation to shareholders as to whether to tender or refrain from tendering any or all of their Shares pursuant to the PCC Offer or the purchase price or prices at which shareholders may choose to tender Shares. Shareholders are strongly urged to read the Offer Documents carefully and to consult with their financial, tax and legal advisors prior to making any decision with respect to the PCC Offer.

## About Power Corporation

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

## 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 Great-West, Power Financial and the Trust, reflect their disclosed current expectations. Forward-looking statements are provided 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 include, without limitation, statements regarding the strategies and outlook of the Corporation, as well as the terms of the PCC Offer, including the maximum dollar value of the Shares the Corporation may purchase under the PCC Offer, the timing for launch and completion of the PCC Offer, the sources and availability of funding for the PCC Offer, and the effect of the financing of the PCC Offer on the Corporation's future operations and financial condition.

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 rates, 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, the PCC Offer not occurring as expected, including failure of any condition to the PCC Offer, the Corporation's inability to finance the PCC Offer in the intended manner (including due to any failure to consummate the credit agreement prior to the expiration of the PCC Offer or the unavailability of sufficient funds from the net proceeds of the PCC Offer, the Corporation's other resources and/or the Corporation's credit facility to fund the PCC Offer, and any inability to obtain any required regulatory approvals or further exemptive relief), the extent to which shareholders elect to tender their Shares under the PCC Offer, the Corporation having sufficient financial resources and working capital following completion of the PCC Offer, the market for the Corporation's Shares at the completion of the PCC Offer being materially less liquid than the market that exists at the time the PCC Offer is commenced, the PCC Offer launching and/or being completed on time, 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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