



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

Readers are referred to the section "Forward-Looking Statements" at the end of this release.

**Montréal, Québec, March 4, 2019** – Power Corporation of Canada ("Power Corporation", the "Corporation" or "PCC") (TSX: POW) today announced its intention to conduct a substantial issuer bid to repurchase for cancellation up to \$1.35 billion of its subordinate voting shares (the "PCC Offer"). The PCC Offer will proceed by way of a modified Dutch auction<sup>1</sup>.

Great-West Lifeco Inc. ("Great-West") (TSX: GWO), a subsidiary of Power Financial Corporation ("Power Financial" or "PFC") (TSX: PWF), itself a subsidiary of Power Corporation, announced today its intention to conduct a substantial issuer bid (the "Great-West Offer") to repurchase for cancellation up to \$2 billion of its common shares. The Great-West Offer follows Great-West's announcement on January 24, 2019 that it had agreed to sell its U.S. individual life insurance and annuity business. The Great-West Offer allows Great-West to repurchase shares at currently attractive market valuations while maintaining the capital to fund strategic investments to drive growth and profitability. Power Financial intends to support Great-West through its participation in the Great-West Offer by tendering a significant portion of its Great-West shares on a proportionate basis<sup>1</sup> and all remaining tendered shares on a non-proportionate basis<sup>1</sup>. Consequently, Power Financial expects its ownership in Great-West will be marginally reduced.

Power Financial announced today its intention to conduct a substantial issuer bid to repurchase for cancellation up to \$1.65 billion of its common shares (the "PFC Offer"), allowing Power Financial to repurchase shares at currently attractive market valuations. Power Corporation has informed PFC that it intends to support Power Financial through its participation in the PFC Offer by tendering a significant portion of its Power Financial shares on a proportionate basis<sup>1</sup> and all remaining tendered shares on a non-proportionate basis<sup>1</sup>. Consequently, Power Corporation expects its ownership in Power Financial will be marginally reduced.

Power Corporation's Board of Directors has authorized the Corporation's intention to conduct a substantial issuer bid to repurchase for cancellation up to \$1.35 billion of its subordinate voting shares. "We believe that the bid to repurchase the Corporation's shares in the current market environment is an opportune use of our capital resources," said Paul Desmarais, Jr., Chairman and Co-Chief Executive Officer. "The Corporation remains committed to its well-diversified portfolio of investments and will continue to have the financial resources required to pursue its strategy for long-term value creation after completion of the PCC Offer," added André Desmarais, Deputy Chairman, President and Co-Chief Executive Officer. Power Corporation expects to fund the PCC Offer using the expected receipt of proceeds from the Corporation's participation in the PFC Offer and the Corporation's available resources. The Desmarais Family Residuary Trust, the Corporation's ultimate controlling shareholder, has informed Power Corporation that it does not intend to participate in the PCC Offer, and, as a consequence, is expected to increase its proportionate ownership in the Corporation.

Power Corporation intends to announce the terms and commence the PCC Offer shortly. Power Corporation has engaged BMO Capital Markets as its financial advisor and dealer manager in connection with the PCC Offer. The offer referred to in this news release has not yet commenced. 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.

<sup>1</sup> The modified Dutch auction will allow shareholders who choose to participate in the PCC Offer to individually select the price, within a specified range as determined by the Corporation, at which they are willing to sell their subordinate voting shares. Shareholders who wish to accept the PCC Offer may do so proportionately by "Proportionate Tender" (such number of shares that will result in maintaining their proportionate equity ownership in the Corporation following completion of the PCC Offer) or non-proportionately by "Auction Tender" (a specified number of shares at a specified price) or "Purchase Price Tender" (a specified number of shares at the purchase price determined pursuant 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 Power Financial, Great-West and The Desmarais Family Residuary 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 Corporation's intention to undertake a substantial issuer bid and the terms thereof, including the maximum dollar value of subordinate voting 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 the unavailability of sufficient funds from the net proceeds of the PFC Offer, borrowings, available cash on hand and/or other capital resources to fund the PCC Offer, any inability to obtain any required regulatory approvals or exemptive relief), the extent to which shareholders elect to tender their subordinate voting 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 subordinate voting 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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