



Power Corporation Reports First Quarter 2019 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.

Toronto, Ontario, May 14, 2019 – Power Corporation of Canada (Power Corporation or the Corporation) (TSX: POW) today reported earnings results for the three months ended March 31, 2019.

Consolidated Results of Power Corporation For the period ended March 31

Highlights

- Power Corporation announced on April 17, 2019 the successful completion of its substantial issuer bid to repurchase for cancellation \$1.35 billion of its subordinate voting shares. The Corporation also announced its participation in Power Financial Corporation's (Power Financial) substantial issuer bid to repurchase for cancellation \$1.65 billion of its common shares. Power Corporation's proceeds from its participation in the Power Financial substantial issuer bid were \$1.4 billion. As a result, the Corporation's direct interest in Power Financial decreased to 64.1% (65.5% at March 31, 2019).
- The Board of Directors today declared a 6% increase in the quarterly dividend from 38.20 cents to 40.50 cents per share on the Corporation's participating shares.

First Quarter

Net earnings attributable to participating shareholders were \$292 million or \$0.63 per share, compared with \$525 million or \$1.13 per share in 2018.

Contributions from 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 net earnings were:

(in millions of dollars)

	2019	2018
• Power Financial	350	383
• Sagard Investment Funds, China AMC and Other investments	11	227
• Corporate and Other subsidiaries	(69)	(85)
	292	525

Power Financial Corporation For the period ended March 31

First Quarter

Net earnings attributable to common shareholders were \$536 million or \$0.75 per share, compared with \$586 million or \$0.82 per share in 2018.

On May 13, 2019, Power Financial declared a quarterly dividend of \$0.4555 per common share, compared with \$0.4330 in the corresponding quarter in 2018.



Sagard Investment Funds, China AMC and Other Investments

For the period ended March 31

First Quarter

Income from the Sagard Investment Funds, China AMC and Other Investments was \$11 million, compared with \$227 million in 2018. Investment income was higher in the first quarter of 2018 as a result of distributions on the sale of investments in Sagard Europe.

Dividends on Power Corporation Participating Shares

The Board of Directors today declared a 6% increase in the quarterly dividend from 38.20 cents to 40.50 cents per share on the Participating Preferred Shares and the Subordinate Voting Shares of the Corporation, payable June 28, 2019 to shareholders of record June 7, 2019.

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, 2019 to shareholders of record June 25, 2019:

Series	Stock Symbol	Amount	Series	Stock Symbol	Amount
1986 Series	POW.PR.F	Floating rate ^[1]	Series C	POW.PR.C	36.25¢
Series A	POW.PRA	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 to May 31, 2019.

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.

At March 31, 2019, Power Corporation held the following economic interests:

- 65.5% – Power Financial (TSX: PWF)^[1] www.powerfinancial.com
- 100% – Sagard SAS (Europe)^[2] www.sagard.com
- 100% – Sagard Holdings www.sagardholdings.com
- 100% – Sagard China www.sagardchina.com
- 100% – Power Energy Corporation
- 27.8% – China AMC^[3] www.chinaamc.com

[1] On April 17, 2019, following the Corporation's participation in Power Financial's substantial issuer bid, Power Corporation's interest in Power Financial decreased to approximately 64.1%.

[2] The Corporation holds an equity interest of 22.0% in Sagard II and 37.3% in Sagard 3, funds managed by Sagard SAS.

[3] IGM Financial Inc. (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,	
	2019	2018
Adjusted net earnings		
Power Financial ^[1]	350	383
Other subsidiaries ^[2]	(20)	(32)
	330	351
Corporate operations		
Income – Sagard Investment Funds, China AMC and Other Investments ^[3]	11	227
Operating and other expenses	(36)	(40)
Dividends on non-participating shares	(13)	(13)
Adjusted net earnings ^[4]	292	525
Other items	-	-
Net earnings ^[4]	292	525
Earnings per share – Basic ^[4]		
Adjusted net earnings	0.63	1.13
Other items	-	-
Net earnings	0.63	1.13

[1] Contributions from IGM and Pargesa Holding SA reflect adjustments in accordance with IAS 39.

[2] Comprised of operating results of: Power Energy Corporation, Square Victoria Communications Group Inc. (up to the date of disposal in July 2018), and IntegraMed America, Inc. (IntegraMed).

[3] Excludes earnings (losses) from IntegraMed.

[4] Attributable to participating shareholders.

Income – Sagard Investment Funds, China AMC and Other Investments

(unaudited) (in millions of Canadian dollars)	Three months ended March 31,	
	2019	2018
Sagard Investment Funds ^[1]		
Sagard Europe ^[2]	(3)	168
Sagard Holdings ^{[3][4]}	(6)	7
Sagard China	14	31
China AMC	7	8
Other Investments		
Investment and hedge funds, and other ^[5]	(1)	13
	11	227

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

[2] Mainly comprised gains distributed by the funds in the first quarter of 2018 on the sale of investments.

[3] Excludes the Corporation's share of the operating results of IntegraMed presented in "Other subsidiaries".

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

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



Sagard Investment Funds

(unaudited) (in millions of Canadian dollars)	March 31, 2019				December 31, 2018			
	Sagard Europe	Sagard Holdings	Sagard China	Total	Sagard Europe	Sagard Holdings	Sagard China	Total
Cost	281	366	607	1,254	280	342	515	1,137
Unrealized gain (loss)	96	5	132	233	111	14	(5)	120
Fair value of non-controlled portfolio investments	377	371	739	1,487	391	356	510	1,257
Cash	-	150	85	235	-	185	162	347
Fair value of a controlled portfolio investment and other	-	38	(4)	34	-	38	(3)	35
Total fair value	377	559	820	1,756	391	579	669	1,639

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. Refer to the "Non-IFRS Financial Measures and Presentation" section of the Corporation's most recent Management's Discussion and Analysis for the definition of non-IFRS financial measures and their reconciliation with IFRS financial measures.

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, including the fintech strategy, as well as the outlook for North American and international economies for the current fiscal year and subsequent. 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 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, 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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