



POWER CORPORATION  
OF CANADA

Annual  
Shareholder  
Meeting

2012



POWER CORPORATION  
OF CANADA

In the course of today's meeting, officers of the Corporation may, in their remarks or in response to questions, make statements containing forward-looking information. The actual results could differ materially from a conclusion, forecast or projection in the forward-looking information. Reference is made to the sections relating to forward-looking information in the Corporation's Annual Information Form and Management's Discussion and Analysis. Certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information. Additional information about the material factors that could cause actual results to differ materially from the conclusion, forecast or projection in the forward-looking information, and the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information, is contained in the Corporation's most recent Annual Information Form and Management's Discussion and Analysis. The Corporation disclaims any intention or obligation to update or revise the forward-looking information, whether as a result of new information, future events or otherwise. Certain financial terms which may be included in statements today, such as operating earnings, are non-IFRS financial measures that do not have a standard meaning and may not be comparable to similar measures used by other entities. Please refer to the Management's Discussion and Analysis for more information.



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# Operating Earnings

## Operating Earnings

Attributable to participating shareholders  
(\$ MILLION)

2010

957

2011

1,152

## Per Share (\$)

Attributable to participating shareholders

2.09

2.50 **+19.9%**





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# Net Earnings

## Net Earnings

Attributable to participating shareholders  
(\$ MILLION)

2010

727

2011

1,075

## Per Share (\$)

Attributable to participating shareholders

1.59

2.34



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## Dividends

Annual dividend of  
**\$1.16**  
since 2009



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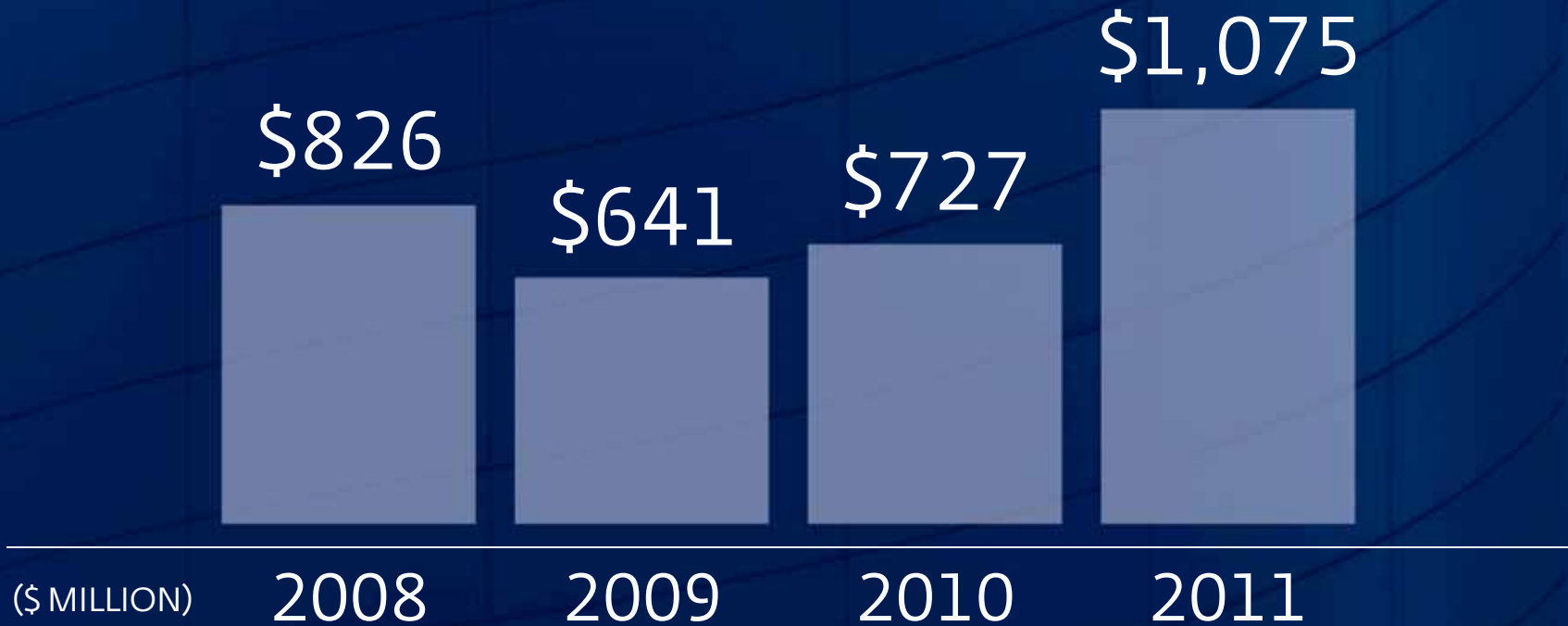
# Earnings Through Difficult Times



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## Earnings Through Difficult Times

Total: \$3,269 million







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## Dividends Through Difficult Times

Total dividends of  
**\$2.1 billion**  
since 2008



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- > Balance sheet remains strong
- > Major operating subsidiaries have performed strongly
- > We will continue to manage our business in a prudent manner



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POWER FINANCIAL  
CORPORATION



POWER FINANCIAL  
CORPORATION

## Earnings

|   | 2010  | 2011  |
|---|-------|-------|
| <b>Operating Earnings</b><br><i>Attributable to common shareholders</i> | 1,625 | 1,729 |
| <b>Net Earnings</b><br><i>Attributable to common shareholders</i>       | 1,468 | 1,722 |

(\$ MILLION)



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CORPORATION

Compound annual rate  
of return over 15 years

14.1%

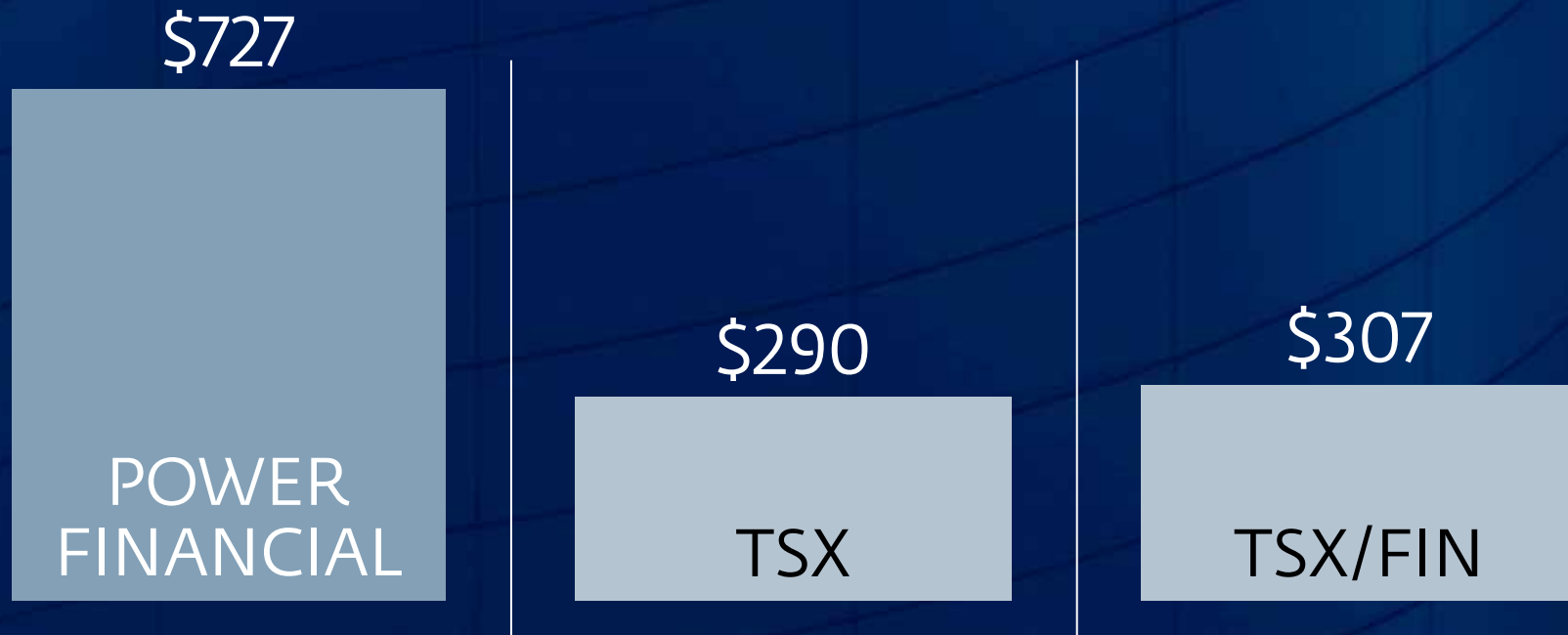


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CORPORATION

## Return to Shareholders

\$100 invested 15 years ago

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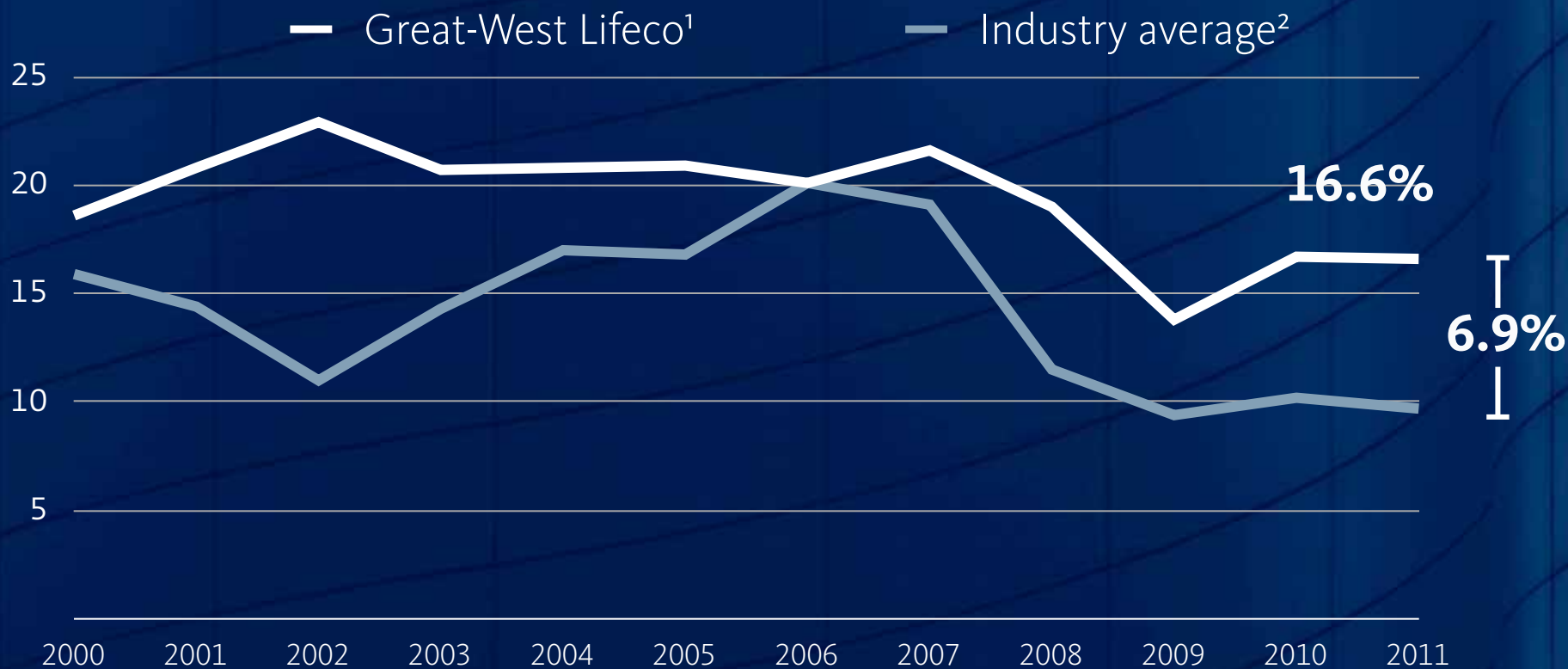
GREAT-WEST  
**LIFECO** INC.

|  | 2010         | 2011         |
|--|--------------|--------------|
| <b>Operating Earnings</b>                  | <b>1,819</b> | <b>1,898</b> |
| <i>Attributable to common shareholders</i> |              |              |

(\$ MILLION)



# Return on Equity (%)



(1) Operating earnings

(2) Includes BMO, BNS, RBC, TD, MFC and SLF before adjustments as per Bloomberg.



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GREAT-WEST  
**LIFECO** INC.

GREAT-WEST  
**LIFECO** INC.

Canada

THE  
**Great-West Life**  
ASSURANCE  COMPANY

London  
 Life

 Canada Life™

THE  
**Great-West Life**  
ASSURANCE  COMPANY

London  
Life

 Canada Life™

Canada

2011 net earnings  
**\$986 million**



Europe

2011 net earnings  
**\$562 million**



United States

2011 net earnings  
**\$355 million**

- > 4th largest provider of defined contribution retirement plans
- > 23% increase in 401(k) plan sales
- > 57% increase in community bank business-owned life insurance sales



## Asset Management

- > Average assets under management up 6%
- > New sales increased by US\$5.2 billion





> 6 Lipper Fund Awards

> DALBAR Service Award

> Retirement Leader of  
the Year



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IGM  
Financial



# Total Assets under Management

\$129.5



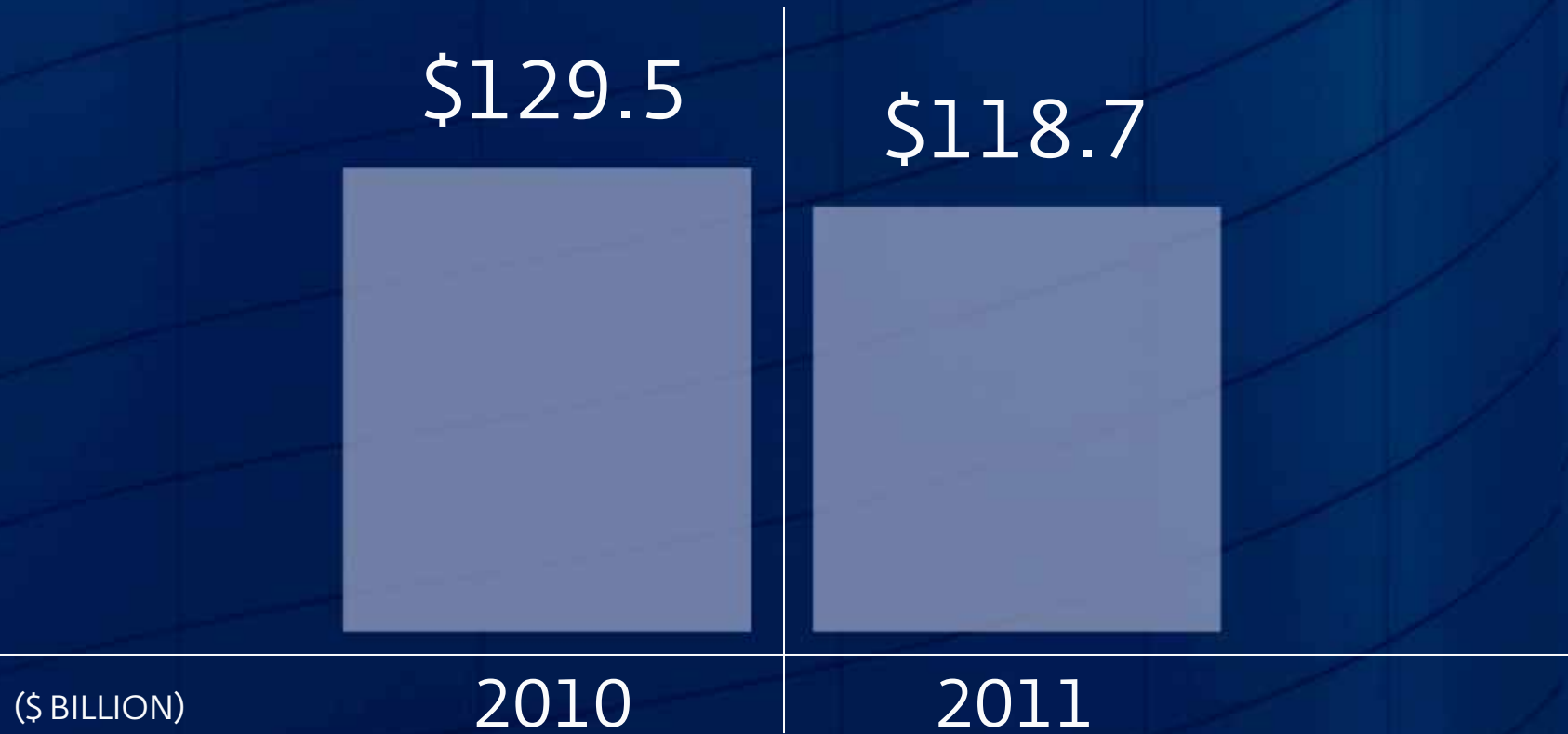
\$118.7



(\$ BILLION)

2010

2011





# Earnings

|                                  | 2010 | 2011 |
|----------------------------------|------|------|
| Operating Earnings               | 759  | 833  |
| Available to common shareholders |      |      |

(\$ MILLION)



## Mutual Funds

|             | 2010 | 2011 |
|-------------|------|------|
| Fund Assets | 61.8 | 57.7 |
| Fund Sales  | 5.7  | 6.0  |

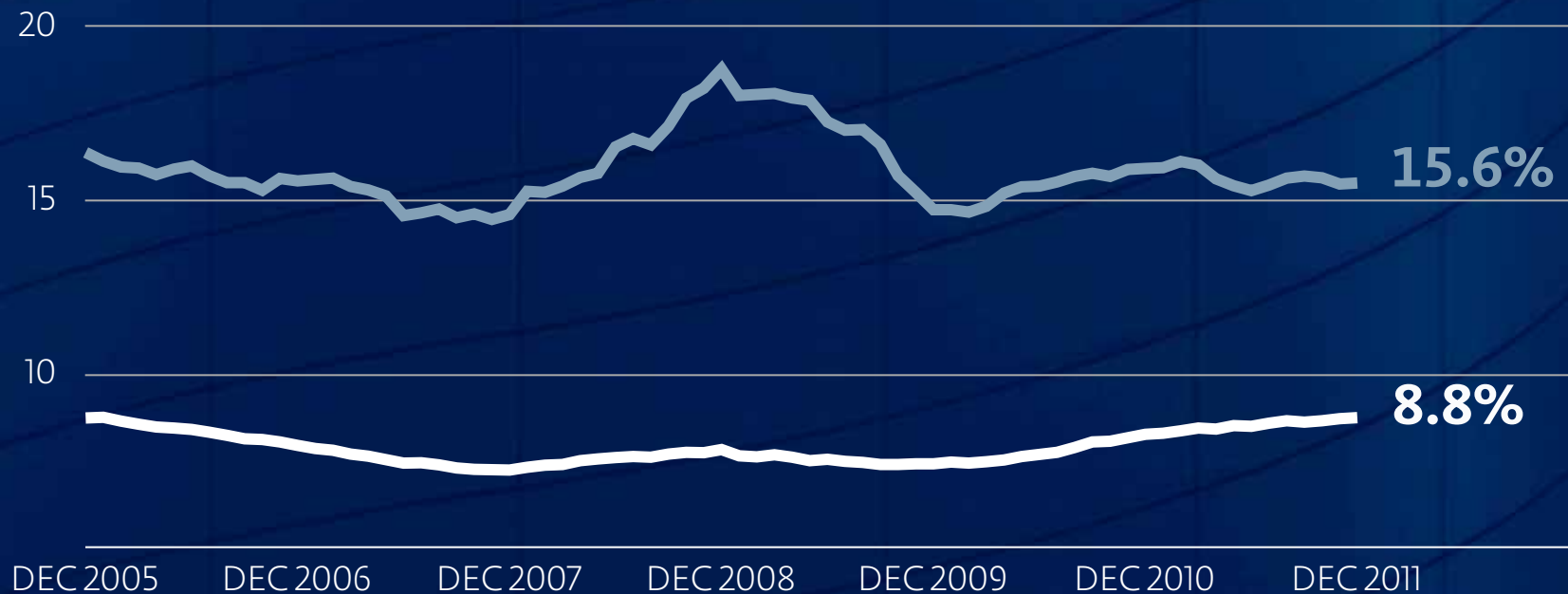
(\$ BILLION)



# Asset Redemption

## Redemption rate on long-term funds

— Industry (IFIC) excluding Investors Group    — Investors Group



(Twelve-month trailing % of average assets under management)

|                               | 2010 | 2011 |
|-------------------------------|------|------|
| Total Sales                   | 12.2 | 10.3 |
| Total Assets under Management | 68.3 | 61.7 |

(\$ BILLION)

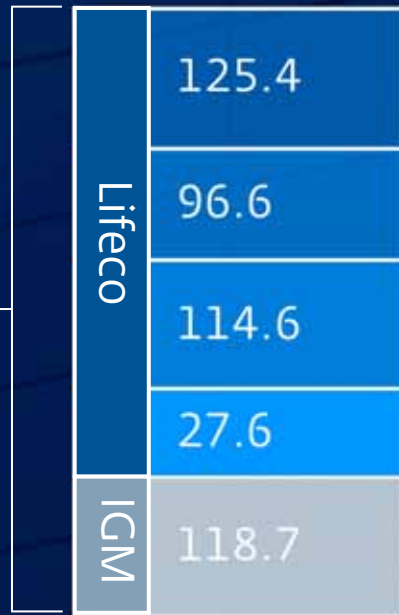


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# Assets under Management and Administration

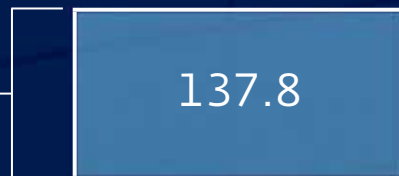
(\$ BILLION)

AUM  
482.9



- > Mutual funds and institutional assets
- > Segregated funds assets
- > Lifeco corporate investments
- > Other corporate assets
- > IGM funds

AUA  
137.8



- > Lifeco assets under administration

**Total  
\$620.7  
billion**





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**Pargesa**  
Holding SA



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Pargesa

Holding SA

GBL

50.0%



57.0%



21.0%



TOTAL

4.0%

GDF SUEZ

5.2%



7.2%



Pernod Ricard

9.8%

|                    | 2010 | 2011 |
|--------------------|------|------|
| Operating Earnings | 466  | 342  |

(SF MILLION)

- > Sale of Imerys to GBL
- > Sale by GBL of part of Pernod Ricard and all of Arkema

# Pargesa

Holding SA

Imerys

Lafarge

Total

GDF Suez

Suez  
Environnement

Pernod  
Ricard



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CITIC  
Pacific



- > Power Corporation holds 4.3%
- > 2011 dividends: \$9 million
- > CITIC Pacific 2011 profit: \$1.1 billion



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Sagard  
China



# Sagard China

|                    | Initial amount |  |
|--------------------|----------------|--|
| "A" shares         | US\$50 million | Total value<br><b>CA \$275 million</b> |
| "B" and "H" shares | US\$50 million |  |



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Sagard  
Europe

**SAGARD**  
PRIVATE EQUITY PARTNERS



Europe

Contribution to earnings

**\$82 million**

in 2011



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Sagard  
Capital

SagardCapital

United States

- > Value at Dec 31, 2011: **\$236 million**
- > Historical cost of investment: **\$183 million**



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# Investment in Funds



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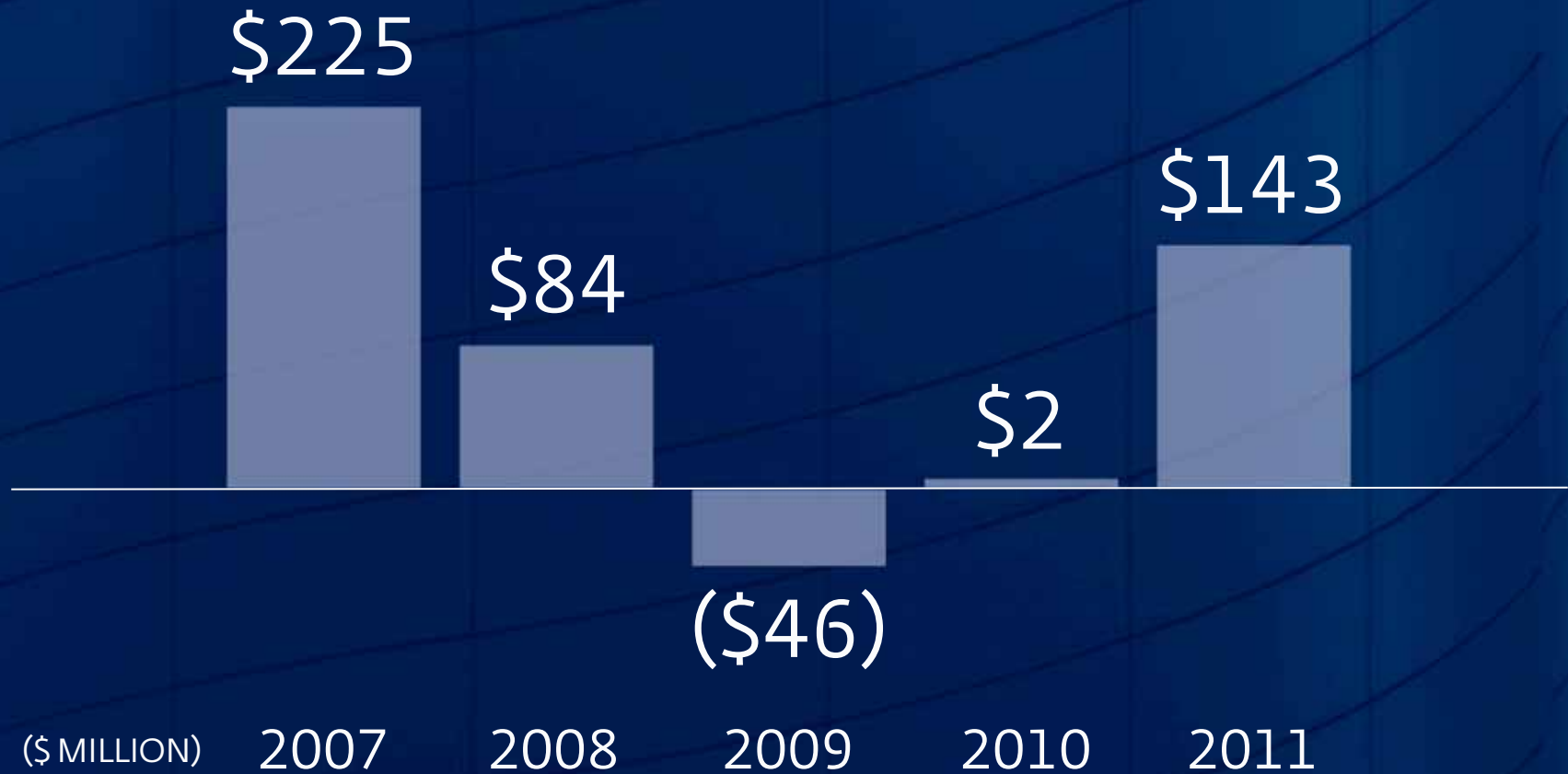
## Investment in Funds

- > Holds impact investments in China, Europe and the United States
- > Investments in private equity and hedge funds



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## Contribution from Funds







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# Operating Principles



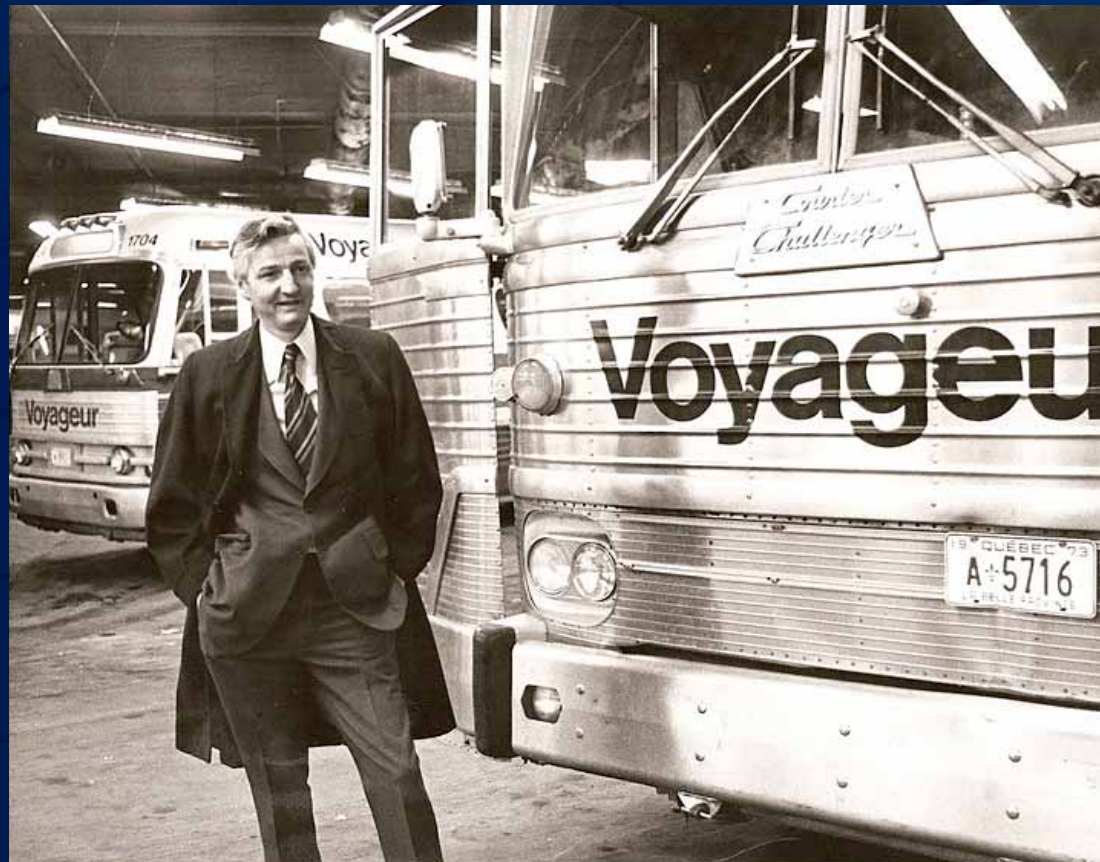
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# Operating Principles

- > a long-term perspective
- > a robust governance model centered around active ownership
- > a prudent approach to risk management
- > a tradition of acting ethically and in a socially responsible manner
- > a strong focus on our human capital



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32,000

people employed by our group

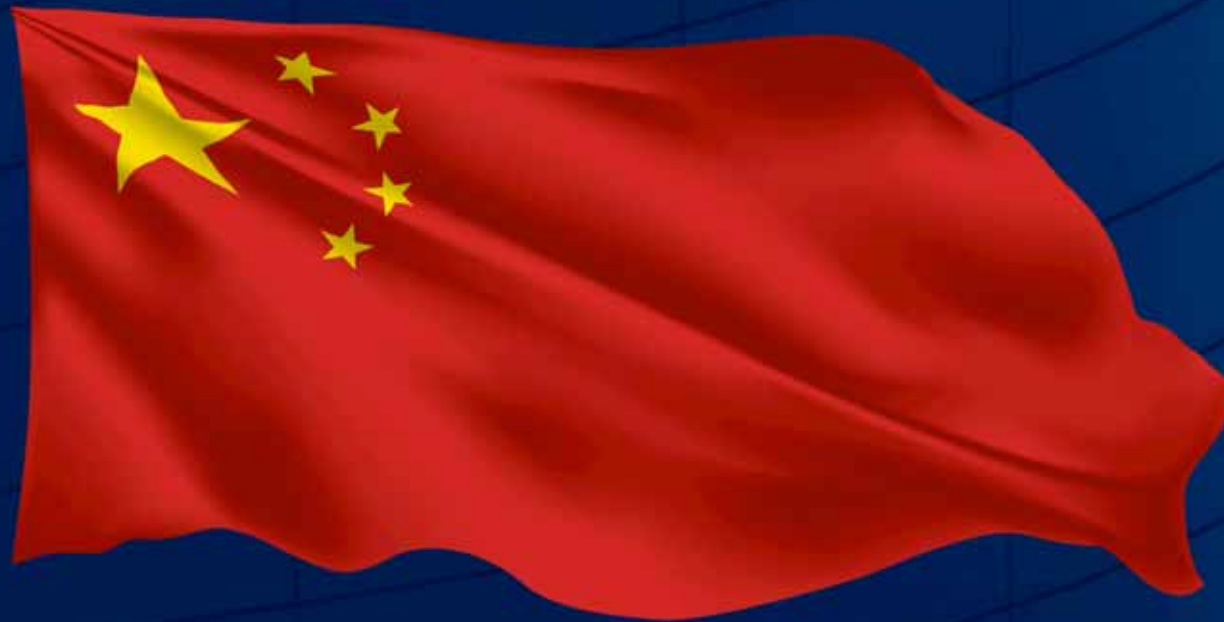
4,000

are here in Quebec



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Presence  
in China





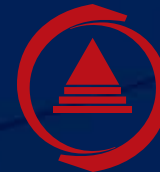
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# Investments in China



CITIC PACIFIC

Sagard  
China



华夏基金  
China AMC



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# Presence in Europe





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# Investments in Europe

**Pargesa**

Holding SA

**GBL**

50.0%



57.0%



21.0%



TOTAL

4.0%

GDF SUEZ

5.2%



7.2%



Pernod Ricard

9.8%

**SAGARD**  
PRIVATE EQUITY PARTNERS







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# Communication Group

GESCA



LeDroit

Le Nouvelliste  
LEADER DE L'INFORMATION RÉGIONALE

leSoleil

La Tribune

LeQuotidien  
LEADER DE L'INFORMATION RÉGIONALE

La Voix de l'Est



olivecanadanetwork



LE RENARD.CA  
LE SITE DES ACHATS FUTÉS



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# First Quarter Results



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# First Quarter Earnings

|   | 2011         |                | 2012         |                |
|---|--------------|----------------|--------------|----------------|
|   | (\$ MILLION) | PER SHARE (\$) | (\$ MILLION) | PER SHARE (\$) |
| <b>Operating Earnings</b><br>Attributable to participating shareholders | <b>218</b>   | <b>0.47</b>    | <b>209</b>   | <b>0.45</b>    |
| <b>Net Earnings</b><br>Attributable to participating shareholders       | <b>216</b>   | <b>0.47</b>    | <b>264</b>   | <b>0.57</b>    |



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# Quarterly Dividend



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Quarterly  
Dividend

\$0.29

per participating share



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# Management Change



Philip K. Ryan



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# Appointment of Chief Financial Officer



Gregory D. Tretiak

Executive Vice-President  
and Chief Financial Officer  
of Power Corporation and  
Power Financial



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