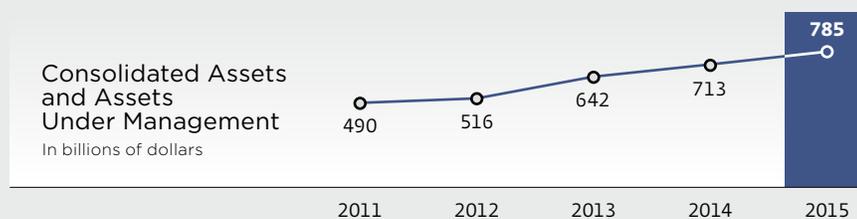
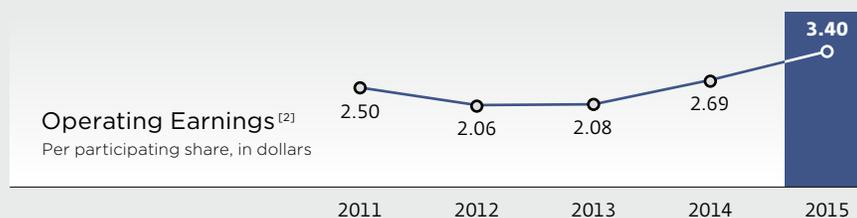
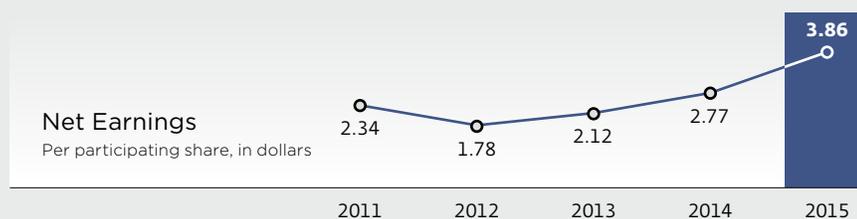


Overview

\$1,786 MILLION NET EARNINGS ^[1]	\$1,573 MILLION OPERATING EARNINGS ^[1, 2]	\$618 MILLION TOTAL DIVIDENDS DECLARED	\$785 BILLION CONSOLIDATED ASSETS AND ASSETS UNDER MANAGEMENT
\$3.86 NET EARNINGS PER PARTICIPATING SHARE	\$3.40 OPERATING EARNINGS ^[2] PER PARTICIPATING SHARE	\$1.22 DIVIDENDS DECLARED PER PARTICIPATING SHARE	13.0% RETURN ON EQUITY BASED ON OPERATING EARNINGS



[1] Attributable to participating shareholders.

[2] Non-IFRS financial measures. Please refer to the reconciliation of non-IFRS financial measures to financial measures in accordance with IFRS in the Review of Financial Performance.

Directors' Report to Shareholders

Power Corporation delivered record financial results in 2015, led by its financial services business, which reported the highest earnings in its history, and earnings from its investment platforms, also at their highest level in the Corporation's history.

Equity markets worldwide were volatile during 2015. In particular, markets with significant commodity exposure were impacted by weakness in demand, surplus in supply, and falling commodity prices. Economic growth and inflation expectations worldwide remained generally muted, with monetary authorities in major economies maintaining an accommodative stance. Continuing improvement in U.S. economic conditions led the Federal Reserve to begin normalization of interest rates by raising the U.S. Federal Funds rate in December, the first time it has done so since 2006. Currency markets were also volatile during the year, a reflection of growing differentials in economic growth prospects and interest rate expectations. Amidst this complex economic environment and challenging current conditions, we continue to adapt our business strategies, risk management culture, capital and liquidity to deliver superior returns.

FINANCIAL RESULTS

Power Corporation's operating earnings attributable to participating shareholders were \$1,573 million or \$3.40 per participating share for the year ended December 31, 2015, compared with \$1,238 million or \$2.69 per share in 2014.

Other items, not included in operating earnings, were a contribution of \$213 million in 2015, compared with \$37 million in 2014.

Net earnings attributable to participating shareholders were \$1,786 million or \$3.86 per share for 2015, compared with \$1,275 million or \$2.77 per share in 2014.

Dividends declared on the Corporation's participating shares totalled \$1.22 per share, compared with \$1.16 per share in 2014.

Results of Group Companies

\$2.3 BILLION
2015 NET EARNINGS
ATTRIBUTABLE
TO COMMON
SHAREHOLDERS

POWER FINANCIAL

Power Financial's operating earnings attributable to common shareholders for the year ended December 31, 2015 were \$2,241 million or \$3.14 per share, compared with \$2,105 million or \$2.96 per share in 2014.

Other items represented a contribution of \$78 million in 2015, compared with \$31 million in 2014.

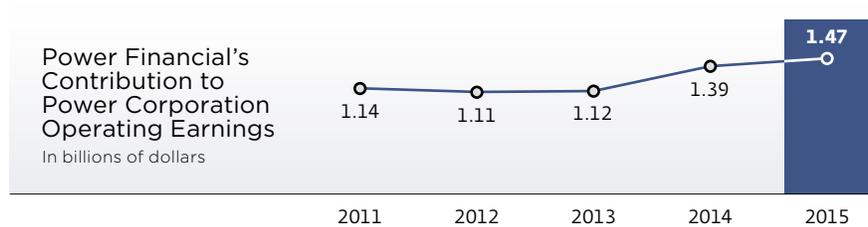
Net earnings attributable to common shareholders were \$2,319 million or \$3.25 per share, compared with \$2,136 million or \$3.00 per share in 2014.

At December 31, 2015, Power Corporation held a 65.6% economic interest in Power Financial. From 2011 to 2015, Power Financial's contribution to

Power Corporation's operating earnings increased from \$1,142 million to \$1,470 million.

Dividends declared by Power Financial totalled \$1.49 per common share in 2015, compared with \$1.40 per share in 2014.

In March of 2016, Power Financial increased the quarterly dividend on its common shares from 37.25 cents to 39.25 cents per share.



Great-West Lifeco

Great-West Lifeco encompasses strong and diverse businesses in Canada, the United States and Europe. Sustaining the company's traditional strengths and building new capabilities to meet the changing needs of customers, advisors and employees are central to its purpose – helping customers achieve financial security and well-being.

Great-West Lifeco's operating and net earnings attributable to common shareholders were \$2.8 billion or \$2.774 per share in 2015, compared with \$2.5 billion or \$2.549 per share in 2014.

Great-West Lifeco maintained a strong return on equity of 14.7 per cent based on net earnings.

Total assets under administration at December 31, 2015 grew to over \$1.2 trillion, up \$149 billion from December 31, 2014.

In February of 2016, Great-West Lifeco announced a 6.1 per cent increase in its quarterly dividend, to 34.60 cents per common share.

Great-West Life, together with subsidiaries London Life and Canada Life, is a leading Canadian insurer. In 2015, the companies continued to have a positive impact on the financial, physical and mental well-being of Canadians, while focusing on initiatives that will drive growth.

The companies are building from a strong base, with leading market shares in many of their core businesses. Their multi-channel distribution strategy and their commitment to the value of advice continue to support their growth and provide them with a competitive advantage.

In the United States, Great-West Lifeco seeks to be a dominant player in every market that it serves, with an intense focus on building a differentiated set of talents, product capabilities and resources to establish the firm as a clear leader in providing multi-faceted financial services to the marketplace.

The company's U.S. businesses – Empower Retirement, Great-West Financial and Putnam Investments – have an opportunity for long-term growth by continuing to invest in leading-edge technology and by more broadly embracing innovation in every aspect of their work.

Across Europe, Great-West Lifeco's businesses in the U.K., Isle of Man, Ireland and Germany are strong and growing. The company has leading positions in its chosen markets and its iconic brands have long histories of delivering on their financial security promises.

Two acquisitions in 2015 support building the Europe businesses through targeted growth. Acquiring the annuity business of The Equitable Life Assurance Society enhanced its strong position in the U.K. retirement income market. Later, the acquisition of Legal & General International (Ireland) Limited strengthened the company's offshore bonds investment business.

\$2.8 BILLION
2015 NET EARNINGS
ATTRIBUTABLE
TO COMMON
SHAREHOLDERS

IGM Financial

In 2015, IGM Financial once again focused on fulfilling the company's mission of delivering long-term growth and value to its clients and shareholders through its principal businesses, Investors Group and Mackenzie Investments. This was achieved by investing energy and resources in key areas, exhibiting strength in product innovation, distribution expansion, effective resource management and investment management enhancements.

Operating earnings available to common shareholders, excluding other items, were \$796 million or \$3.21 per share in 2015, compared with \$826 million or \$3.27 per share in 2014.

Net earnings available to common shareholders were \$772 million or \$3.11 per share in 2015, compared with \$753 million or \$2.98 per share in 2014.

Total assets under management at December 31, 2015, totalled \$134 billion, compared with \$142 billion at December 31, 2014.

Investors Group continued to build client relationships and sales through the strong growth of its exclusive consultant network, and enhanced its comprehensive financial planning capabilities to strengthen its competitive advantage.

Investors Group expanded the number of its region offices in 2015 to a total of 114 across Canada. Throughout 2015, the company's consultant network grew by 175 for a total of 5,320 by year-end, the highest level in its history.

To meet the complex financial needs of its clients, Investors Group delivered a diverse range of products and services in the context of long-term financial planning and personalized financial advice.

Mackenzie Investments made progress in transforming its business to position the company as a leader amongst its peers and to gain market share with a primary focus on delivering competitive risk-adjusted performance through its investment boutiques, product innovation and distribution excellence.

Mackenzie Investments maintained its focus on delivering consistent long-term investment performance by attracting key investment management talent, building new leadership and executing on initiatives to achieve its strategic priorities as it provides support for advisors and institutional clients in all aspects of their business.

IGM Financial continues to build its business through its extensive network of distribution opportunities, delivering high-quality advice and innovative, flexible solutions for investors. The company's investment in technology and operations helps it manage its resources effectively and develop long-term growth in the business.

\$772 MILLION
2015 NET EARNINGS
ATTRIBUTABLE
TO COMMON
SHAREHOLDERS

SF638 MILLION
2015 NET EARNINGS

Pargesa

The Pargesa group, through Belgian holding company GBL, holds significant positions in major global companies based in Europe: Imerys, a producer of mineral-based specialty solutions for industry; LafargeHolcim, which produces cement, aggregates and concrete; Total, in the oil, gas and alternative energy industry; Pernod Ricard, a leader in wines and spirits; SGS, engaged in testing, inspection and certification; and Engie, a provider of electricity, natural gas, and energy and environmental services.

Consistent with the previous three years, the year 2015 was characterized by faster portfolio turnover, with the goal of increasing sector and geographic diversification. Many investments were made and GBL took advantage of the greater volatility in the financial markets to strengthen certain of its interests (Umicore) and acquire new positions (adidas AG, Ontex Group NV). GBL's portfolio restructuring activities continued with the progressive reduction of its holdings in Total, which occurred mainly in late 2015 and early 2016. While the reduction in its investment will have an impact on the dividends GBL receives from Total (for the most part beginning in 2016), the continuing implementation of its strategy through new investments is not expected to affect the group's dividend policy for 2016.

Pargesa's operating earnings were SF308 million in 2015, compared with SF339 million in 2014. Including non-operating earnings consisting primarily of gains on the partial disposals by GBL of its interest in Total and mark-to-market gains related to the LafargeHolcim merger, Pargesa's net earnings in 2015 were SF638 million, compared with SF637 million in 2014.

Reflecting the good performance in 2015 and confidence in its strategy, at its annual general meeting GBL is expected to propose that its dividend once again be increased, by 2.5%, to €2.86 per share. In addition, at its upcoming annual meeting in May, the board of directors of Pargesa is expected to propose a 2015 dividend of SF2.38 per bearer share, to be paid on May 10, 2016.

Communications and Media

Gesca owns La Presse, a French-language news media company providing content on several platforms: the free La Presse+ digital edition for tablets, the news website LaPresse.ca, the La Presse mobile application for smartphones, and the *La Presse* paper edition on Saturdays.

La Presse is known for its distinctive, rich and diversified national and international coverage of news and current events, its exclusive reports, and for its columnists and reporters, whose work has been widely recognized, winning many awards for excellence in journalism.

The year 2015 was marked by change. In March, Gesca reached an agreement to sell its subsidiary that publishes six daily, regional newspapers in the

Province of Québec to Groupe Capitales Médias. Shortly thereafter, in May, La Presse created a subsidiary, Nuglif, to consolidate the La Presse+ digital platform's commercialization activities. In July, Square Victoria Digital Properties Inc. sold its interest in the real estate company ByTheOwner. In September, The Toronto Star adopted the La Presse+ platform and launched its own version, Toronto Star Touch.

Also in September, 131 years after the newspaper's founding, La Presse+ had become more successful than the paper edition of the daily, especially amongst advertisers. La Presse then announced it had decided that, beginning January 1, 2016, it would end its weekly paper editions, while keeping the Saturday print edition.

Power Energy

Established in 2012, Power Energy invests in, and develops, renewable energy companies that can provide stable and growing long-term recurring cash flows. Power Energy holds investments in two companies: Potentia Solar, a rooftop solar power producer based in Ontario, and Eagle Creek Renewable Energy, a U.S.-based owner and operator of hydropower facilities. As at December 31, 2015 the Corporation had invested \$174 million in these companies.

Investment Activities

Power Corporation conducts investment activities, built upon a network of long-standing relationships, to provide superior long-term returns on a diversified basis. These investment activities include the Sagard funds and long-standing interests in China. The income to the Corporation from these investment activities can be volatile, but is expected to produce attractive shareholder returns over the long term.

Since the launch of its first fund in 2002 in Europe, Power Corporation has continued to develop the business. Currently, the Corporation operates equity investment funds in three geographies under the Sagard name – Sagard Europe, Sagard Capital (United States) and Sagard China. The fair value of the Corporation's investment in the Sagard funds increased from \$675 million at December 31, 2011 to \$1,874 million in 2015.

The Sagard Europe funds are managed by Sagard SAS, a wholly owned subsidiary of the Corporation based in Paris, France. Pargesa and GBL have also invested in Sagard Europe. Sagard Europe invests in mid-sized private companies based

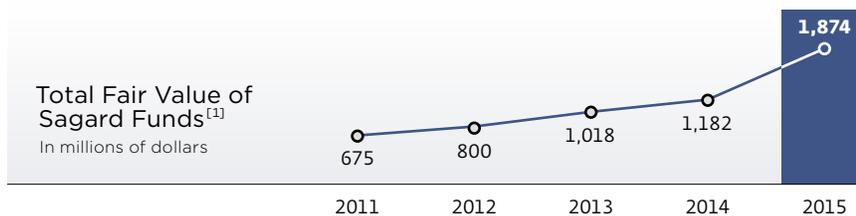
in France, Belgium, Luxembourg and Switzerland with the objective of seeking to have a significant influence in investee companies. As at December 31, 2015, the fair value of the Corporation's investment in the Sagard Europe funds, excluding the Corporation's share of such investments indirectly held through Pargesa and GBL, was \$257 million, compared with \$153 million in 2014.

Sagard Capital Partners, L.P., a U.S. limited partnership indirectly owned by Power Corporation, mainly invests in mid-cap public companies in the United States. In certain circumstances, Sagard Capital will seek control of companies that have superior growth and return

profiles. As at December 31, 2015, the fair value of the fund was \$951 million, compared with \$626 million in 2014.

Power Corporation operates as a Qualified Foreign Institutional Investor (QFII) in the Chinese "A" shares market. In addition, the Corporation has invested in Chinese companies listed on the Hong Kong Stock Exchange ("H" shares) and the Shenzhen or Shanghai Stock Exchange ("B" shares). These investments, referred to as Sagard China, had a fair value of \$666 million as at December 31, 2015, compared with \$403 million in 2014. In 2015, Power Corporation disposed of its 0.6 per cent interest in CITIC, a public company whose shares are listed on the Hong Kong Stock Exchange.

The Corporation also holds a 10 per cent interest in China AMC, which was established in 1998 and was one of the first asset management companies approved by the China Securities Regulatory Commission. It is recognized as a leading company in the Chinese asset management sector. As at December 31, 2015, China AMC managed 53 mutual funds, and had institutional assets and assets under management of US\$148 billion, compared with US\$84 billion in 2014.



[1] Includes cash held in the funds and controlled portfolio investments.

Executive Changes in the Group

Murray J. Taylor, President and Chief Executive Officer of Investors Group for the past 12 years, will retire from the company at IGM Financial's upcoming annual meeting after a 40-year career with the Power Financial group of companies. Under his leadership, Investors Group greatly enhanced the products, services and advice given to clients and expanded its network of consultants.

Jeffrey R. Carney, CFA, will be appointed President and Chief Executive Officer of Investors Group. Since May 2013, he has served as President and Chief Executive Officer of Mackenzie Financial

Corporation. Mr. Carney will also become President and Chief Executive Officer of IGM Financial, a position he has shared with Mr. Taylor for the past three years.

Board of Directors

At the May 2016 Annual Meeting of the Corporation, shareholders will be asked to elect Messrs. Gary A. Doer and Christian Noyer to the Board.

Mr. Doer served as Canada's Ambassador to the United States from 2009 to 2015. Prior to that, he was Premier of the Province of Manitoba after serving in a number of roles in the Legislative Assembly of Manitoba. Mr. Doer has also been nominated for election to the boards of Power Financial, Lifeco and IGM at their upcoming annual meetings of shareholders.

Mr. Noyer served most recently as Governor of the Banque de France. Previously, he was Vice-President of the European Central Bank in Frankfurt, Germany. Mr. Noyer also served as a member of the Governing Council and the General Council of the European Central Bank. He has held various roles with organizations such as the International Monetary Fund, the Bank for International Settlements, the Financial Stability Board, and the World Bank.

Mr. Laurent Dassault will not stand for re-election to the Corporation's Board of Directors. Mr. Dassault has served as a Director of the Corporation since 1997 and has been a member of the Related Party and Conduct Review Committee since 2012. The Directors wish to thank Mr. Dassault, on behalf of the shareholders, for his important contribution during his 19-year tenure on the Board.

The Power Group

Power Corporation closely adheres to principles which have been developed over a long period of time. We invest in companies that have a long-term perspective, that maintain a prudent financial structure, that have the capacity for sustaining earnings and the expectation for growing earnings and dividends. A core tenet of our governance model is active ownership, which is exercised through our presence on the boards of directors of our controlled companies and through our influence as significant shareholders in our other core investments. Lastly, we invest in a number of high-quality, socially responsible companies with sustainable franchises.

Our companies have a long and proud history of contributing to the well-being of the communities in which they operate. The principles underlying our approach to responsible management are outlined later in this report and are further detailed in a website launched in 2015, www.PowerCorporationCSR.com, to provide more information about our policies, programs and performance as it pertains to corporate social responsibility.

Your Directors and management seek to deliver attractive long-term shareholder returns. In most any environment, companies with strong balance sheets, sound financial management and prudent liquidity will be best positioned to seize upon the most attractive opportunities. At the Power group of companies, we see increasing opportunities to grow our business organically and make acquisitions that are strategic as well as accretive.

Your Directors wish to express gratitude, on behalf of the shareholders, for the important contribution made by the management and the employees of our Corporation and our group companies to the solid results achieved in 2015, and we look forward to 2016.

On behalf of the Board of Directors,

Signed,

Paul Desmarais, Jr., o.c., o.q.
Chairman and
Co-Chief Executive Officer

March 23, 2016

Signed,

André Desmarais, o.c., o.q.
Deputy Chairman, President and
Co-Chief Executive Officer