

Partners Value Investments Inc. Announces 2016 First Quarter Results

TORONTO, MAY 26, 2016 (TSX VENTURE: PVF) – Partners Value Investments Inc. (the “Company”) announced today its financial results for the quarter ended March 31, 2016.

Net income was \$29 million (\$0.39 per common share) for the three months ended March 31, 2016, compared to net income of \$12 million (\$0.17 per common share) in the prior year quarter. The increase in net income was primarily due to a 42% increase in investment income and foreign currency appreciation during the quarter.

The Company’s net book value increased by \$1.82 per share during the quarter to \$44.34 per share due to increases in the market value of the Company’s long-term investment portfolio.

Consolidated Statements of Operations

For the three months ended March 31

<i>(Thousands)</i>	2016	2015
Investment income		
Dividends	\$20,117	\$15,393
Other investment income	1,856	60
	21,973	15,453
Less		
Operating expenses	(1,622)	(873)
Financing Costs	(123)	(13)
Retractable preferred share dividends	(8,552)	(6,977)
	11,676	7,590
Other items		
Investment valuation gains	331	4,842
Amortization of deferred financing costs	(571)	(456)
Change in value of fund unit liability	557	(331)
Income tax expense	(9,097)	(677)
Foreign currency gains	25,867	1,177
Net income	\$28,763	\$12,145

Financial Profile and Net Book Value

The Company’s principal investment is its interest in 86 million Class A Limited Voting Shares (“Brookfield shares”) of Brookfield Asset Management Inc. (“Brookfield”), representing 1.17 Brookfield shares for every 1 common share of the Company as at March 31, 2016.

The information in the following table shows the changes in net book value:

<i>For the three months ended March 31 (Thousands, except per share amounts)</i>	Total	Per Share
Net book value, beginning of period ¹	\$3,127,980	\$42.52
Net income ²	28,763	0.39
Other comprehensive income ²	104,969	1.43
Net book value, end of period ^{1,3}	\$3,261,712	\$44.34

¹ Net book value per common share is non-IFRS measure.

² The weighted average number of common shares outstanding during the three month ended was 73,546,897 (2015 – 73,546,899).

³ As at March 31, 2016, there were 73,546,897 (December 31, 2015 – 73,546,898) voting and non-voting common shares of the Company issued and outstanding on a fully diluted basis.

The information in the following table has been extracted from the Company’s Statement of Financial Position:

Statement of Financial Position

<i>As at (Thousands, except per share amounts)</i>	March 31, 2016	December 31, 2015
Assets		
Cash and cash equivalents	\$60,092	\$127,467

Investments		
Brookfield Asset Management ¹	3,877,349	3,746,873
Other securities	600,754	619,363
Accounts receivable and other	14,146	8,169
	\$4,552,341	\$4,501,872
Liabilities and Shareholders' Equity		
Accounts payable and other	\$188,564	\$243,527
Preferred shares ²	655,446	706,258
Deferred taxes ³	446,619	424,107
	1,290,629	1,373,892
Shareholders' equity		
Common equity	3,261,712	3,127,980
Total liabilities and shareholders' equity	\$4,552,341	\$4,501,872
Net book value per common share ^{4,5}	\$44.34	\$42.52

¹ Represents the investment in 86 million Brookfield shares with a quoted market value of \$45.17 per share as at March 31, 2016 (December 31, 2015 – \$43.65). ▶

² Represents \$666 million of retractable preferred shares less \$11 million of unamortized issue costs (December 31, 2015 – \$717 million less \$11 million).

³ The deferred tax liability represents the potential future income tax liability of the Company recorded for accounting purposes based on the difference between the carrying values of the Company's assets and liabilities and their respective tax values, as well as giving effect to estimated capital and non-capital losses.

⁴ As at March 31, 2016, there were 73,546,897 (December 31, 2015 – 73,546,898) voting and non-voting common shares of the Company issued and outstanding on a fully diluted basis. ▶

⁵ Net book value per common share is a non-IFRS measure.

Please click [here](#) to access the Investor Presentation presented by PVII management at today's Annual General Meeting.

For further information, contact Investor Relations at ir@pvii.ca or 647-503-6516.

Note: This news release contains "forward-looking information" within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of applicable Canadian securities regulations. The words "potential" and "estimated" and other expressions which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters, identify forward-looking information. Forward-looking information in this news release includes statements with regard to the Company's potential future income taxes.

Although the Company believes that its anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond its control, which may cause the actual results, performance or achievements of the Company to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements and information include, but are not limited to: the financial performance of Brookfield Asset Management Inc., the impact or unanticipated impact of general economic, political and market factors; the behavior of financial markets, including fluctuations in interest and foreign exchanges rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; strategic actions including dispositions; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation; changes in tax laws, catastrophic events, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts; and other risks and factors detailed from time to time in the Company's documents filed with the securities regulators in Canada.

The Company cautions that the foregoing list of important factors that may affect future results is not exhaustive. When relying on the Company's forward-looking statements and information, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements and information, whether written or oral, that may be as a result of new information, future events or otherwise.