

Partners Value Investments LP Announces 2016 Annual Results

TORONTO, April 3, 2017 Partners Value Investments LP (the "Partnership") announced today its financial results for the year ended December 31, 2016. All results have been presented in U.S. dollars as the Partnership changed the presentation currency from Canadian to U.S.

Net income for the year was \$86 million, of which \$73 million was attributable to the Equity Limited Partners (\$0.99 per Equity LP unit) compared to a net loss of \$17 million (\$0.24 per Equity LP unit) in the prior year. The increase in net income was primarily due to an increase in investment income and higher level of returns from our investment activity.

Adjusting for the impact of the capital reorganization completed in July, the Partnership's net book value increased 13% to \$26.96 from \$23.94 per unit due to higher investment returns and an increase in the value of Brookfield related securities. Otherwise, the Partnership's net book value decreased by \$3.77 per unit to \$26.96 per unit primarily due to the capital reorganization as a portion of the previous equity of Partners Value Investments Inc. was exchanged for Preferred Limited Partnership units.

Consolidated Statements of Operations

<i>For the years ended December 31 (Thousands)</i>	2016	2015
Investment income		
Dividends	\$61,942	\$53,622
Other investment income	5,228	1,522
	67,170	55,144
Expenses		
Operating expenses	(15,270)	(3,160)
Financing costs	(2,116)	871
Retractable preferred share dividends	(25,289)	(22,202)
	24,495	28,911
Other items		
Investment valuation gains (losses)	72,967	(37,929)
Amortization of deferred financing costs	(1,834)	(1,493)
Change in value of fund unit liability	(896)	3,182
Income tax expense	(22,394)	6,737
Foreign currency gains (losses)	13,393	(16,772)
Net income (loss)	\$ 85,731	\$(17,364)
Net income (loss) attributable to:		
Partners Value Investments Inc.	\$51,198	\$(17,364)
Equity Limited Partners	21,315	-
General Partner	-	-
Preferred Limited Partners	13,218	-
	\$ 85,731	\$(17,364)

Financial Profile and Net Book Value

The Partnership's principal investment is its interest in 86 million Class A Limited Voting Shares ("Brookfield shares") of Brookfield Asset Management Inc. ("Brookfield"), representing a 9% fully-diluted interest as at December 31, 2016. The information in the following table shows the changes in net book value:

<i>For the years ended December 31 (Thousands, except per unit amounts)</i>	2016		2015	
	Total	Per Unit	Total	Per Unit
Net book value, beginning of period ¹	\$2,260,264	\$30.73	\$2,374,208	\$32.28
Net income ²	72,513	0.99	(17,364)	(0.24)
Other comprehensive income ²	149,520	2.03	(96,580)	(1.31)
Re-Organization	(499,903)	(6.79)	-	-
Net book value, end of period ^{1,3}	\$1,982,394	\$26.96	\$2,260,264	\$30.73

1) Net book value per unit is a non-IFRS measure.

2) Attributable to Equity Limited Partners and Partners Value Investments Inc.

3) The weighted average number of Equity Limited Partnership ("Equity LP") units outstanding during the year ended December 31, 2016 was 73,543,831 (2015 – 73,543,831).

4) As at December 31, 2016, there were 73,541,531 (December 31, 2015 – 73,543,831) Equity LP units issued and outstanding on a fully diluted basis.

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

Statement of Financial Position

As at December 31

(Thousands, except per unit amounts)

	2016	2015
Assets		
Cash and cash equivalents	\$5,971	\$92,107
Investments		
Brookfield Asset Management ¹	2,829,156	2,707,474
Other securities	612,734	447,548
Accounts receivable and other	20,881	5,903
	\$3,468,742	\$3,253,032
Liabilities and Shareholders' Equity		
Accounts payable and other liabilities	\$124,820	\$175,971
Preferred shares ²	521,155	510,339
Deferred taxes ³	340,470	306,458
	986,445	992,768
Equity		
Partners Value Investments Inc.	-	2,260,264
Partnership's Equity		
Equity Limited Partners	1,982,394	-
General Partner	1	-
Preferred Limited Partners	499,902	-
	\$3,468,742	\$3,253,032
Net book value per unit ^{4,5}	\$26.96	\$30.73

1) The investment of 86 million Brookfield shares with a quoted market value of \$32.96 per share as at December 31, 2016 (December 31, 2015 – \$31.54).

2) Represents \$529 million of retractable preferred shares less \$8 million of unamortized issue costs as at December 31, 2016 (December 31, 2015 – \$518 million less \$8 million).

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

4) As at December 31, 2016, there were 73,541,531 (December 31, 2015 – 73,543,831) Equity LP units issued and outstanding on a fully diluted basis.

5) Net book value per unit is a non-IFRS measure. Net book value is equal to total equity less General Partner equity and Preferred Limited Partners equity.

For further information, contact Investor Relations at ir@bpvill.ca or 647-503-0310.

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 Partnership's potential future income taxes.

Although the Partnership 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 Partnership 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 Partnership's documents filed with the securities regulators in Canada.

The Partnership cautions that the foregoing list of important factors that may affect future results is not exhaustive. When relying on the Partnership'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 Partnership 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.