

Partners Value Investments LP Announces 2017 Annual Results

TORONTO, March 19, 2018 Partners Value Investments LP (the "Partnership") announced today its financial results for the year ended December 31, 2017. All amounts are stated in US dollars.

Net income for the year was \$80 million, of which \$58 million was attributable to the Equity Limited Partners (\$0.65 per Equity LP unit) compared to \$73 million (\$0.82 per Equity LP unit) in the prior year. The decrease in net income is due to the impact of translating our Canadian dollar denominated preferred share liabilities at a higher rate due to the strengthening of the Canadian dollar versus our US dollar reporting currency. Ignoring this impact, we recorded modestly higher net income after-tax in 2017.

Consolidated Statements of Operations

<i>For the years ended December 31 (Thousands)</i>	2017	2016
Investment income		
Dividends	\$87,666	\$61,942
Other investment income	2,142	5,228
	89,808	67,170
Expenses		
Operating expenses	(13,419)	(15,270)
Financing costs	(5,358)	(2,116)
Retractable preferred share dividends	(27,341)	(25,289)
	43,690	24,495
Other items		
Investment valuation gains (losses)	87,784	72,967
Amortization of deferred financing costs	(2,473)	(1,834)
Change in value of fund unit liability	-	(896)
Income taxes	(20,059)	(22,394)
Income from equity accounted income	253	-
Foreign currency gains (losses)	(29,112)	13,393
Net income (loss)	\$ 80,083	\$85,731
Net income (loss) attributable to:		
Partners Value Investments Inc.	-	\$51,198
Equity Limited Partners	57,790	21,315
General Partner	-	-
Preferred Limited Partners	22,293	13,218
	\$ 80,083	\$85,731

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, 2017. 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>	2017		2016	
	Total	Per Unit	Total	Per Unit
Net book value, beginning of period ¹	\$2,337,457	\$26.49	\$2,260,264	\$25.61
Net income ²	57,790	0.65	72,513	0.82
Other comprehensive income ²	848,407	9.61	149,520	1.69
Adjustment for impact of warrant ³	24,533	0.28	355,063	4.02
Equity LP repurchase	(11)	-	-	-
Re-Organization	-	-	(499,903)	(5.65)
Net book value, end of period ^{1,3}	\$3,268,176	\$37.03	\$2,337,457	\$26.49

1) Calculated on a fully diluted basis, net book value is non-IFRS measure.

2) Attributable to Equity Limited Partners

3) The basic weighted average number of Equity Limited Partnership ("Equity LP") units outstanding during the year ended December 31, 2017 was 73,541,190. The diluted weighted average number of Equity Limited Partnership ("Equity LP") units available and outstanding during the year ended December 31, 2017 was 88,249,956; this includes the 14,708,766 Equity LP units issued through the exercise of all outstanding warrants.

4) At the end of the year, the diluted Equity LP units outstanding were 88,249,897 (December 31, 2016 – 88,250,327).

5) Net book value is a non-IFRS measure and is equal to total equity less General Partner equity and Preferred Limited Partners' equity, plus the value of consideration to be received on exercising of warrants, which as at December 31, 2017 was \$380 million (December 31, 2016 – \$355 million).

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

Statement of Financial Position

<i>(Thousands, except per unit amounts)</i>	December 31 2017	December 31 2016
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Assets		
Cash and cash equivalents	\$29,801	\$5,971
Accounts receivable and other assets	6,443	20,881
Investment in Brookfield Asset Management Inc ¹	3,737,431	2,829,156
Other Securities		
Available for sale investments	288,306	231,277
Marketable securities	462,161	381,457
Equity accounted investment	13,643	-
Goodwill	3,102	-
	\$4,540,887	\$3,468,742
Liabilities and Shareholders' Equity		
Accounts payable and other liabilities	\$108,744	\$124,820
Preferred shares ²	575,620	521,155
Deferred taxes ³	468,040	340,470
	1,152,404	986,445
Equity		
Partnership's Equity		
Equity Limited Partners	2,888,580	1,982,394
General Partner	1	1
Preferred Limited Partners	499,902	499,902
	\$4,540,887	\$3,468,742
Net book value per unit^{1,4,5}	\$37.03	\$26.49

1) The investment in Brookfield Asset Management Inc. consists of 86 million Brookfield shares with a quoted market value of \$43.54 per share as at December 31, 2017 (December 31, 2016 – \$32.96).

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.

Chief Executive Officer Appointment

Partners Value Investments LP is pleased to announce the appointment of Brian D. Lawson as the Chief Executive Officer of the Partnership, effective March 20, 2018. Mr. Lawson will be replacing George Myhal who has held the position since 2016.

For further information, contact Investor Relations at ir@bpvii.ca or 647-505-0510.

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.