Partners Value Investments LP Announces 2016 Third Quarter Results

PARTNERS VALUE INVESTMENTS LP ANNOUNCES 2016 THIRD QUARTER RESULTS

TORONTO, NOVEMBER 28, 2016 – Partners Value Investments LP (the "Partnership") announced today its financial results for the quarter ended September 30, 2016.

Net income for the quarter was $25 million, of which $15 million was attributable to the Equity Limited Partners ($0.20 per unit) compared to a net loss of $35 million ($0.47 per unit) in the prior year quarter. The increase in net income was primarily due to an increase in investment income and higher level of returns from our investment activity.

The Partnership's net book value decreased by $4.74 per unit to $38.23 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. Adjusting for the impact of the capital reorganization, the Partnership's net book value increased 12% from $34.05 to $38.23 per unit due to higher comprehensive income, mainly driven by the increase in value of Brookfield common shares.

Consolidated Statements of Operations

For the periods ended September 30	Three months		Nine months	
(Thousands)	**2016**	2015	**2016**	2015
Investment income				
Dividends	**$ 21,279**	$ 18,083	**$ 61,348**	$ 50,523
Other investment income	**802**	298	**5,840**	605
	22,801	18,381	**67,188**	51,128
Expenses				
Operating expenses	**(4,787)**	(859)	**(12,852)**	(2,403)
Financing costs	**(688)**	(447)	**(1,221)**	(693)
Retractable preferred share dividends	**(8,839)**	(6,973)	**(25,088)**	(20,926)
	7,767	10,102	**28,027**	27,106
Other items				
Investment valuation gains (losses)	**30,882**	(41,291)	**65,907**	(44,838)
Amortization of deferred financing costs	**(627)**	(458)	**(1,802)**	(1,372)
Change in value of fund unit liability	**(59)**	2,838	**(1,187)**	2,979
Income taxes	**(3,607)**	6,606	**(22,012)**	5,619
Foreign currency (losses) gains	**(9,420)**	(12,736)	**23,833**	(10,331)
Net income (loss)	**$ 24,936**	$ (34,939)	**$ 92,766**	$ (20,837)
Net income (loss) attributable to:				
Partners Value Investments Inc.	**$ —**	$ (34,939)	**$ 67,830**	$ (20,837)
Equity Limited Partners	**14,984**	—	**14,984**	—
General Partner	**—**	—	**—**	—
Preferred Limited Partners	**9,952**	—	**9,952**	—
	$ 24,936	$ (34,939)	**$ 92,766**	$ (20,837)

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 September 30, 2016. The information in the following table shows the changes in net book value:

For the periods ended September 30	Three months ended		Nine months ended	
(Thousands, except per share amounts)	Total	Per Share	Total	Per Share
Net book value, beginning of period[1]	$ 3,160,436	$ 42.97	$ 3,127,980	$ 42.53
Net income[2, 3]	14,984	0.20	82,814	1.13
Other comprehensive income[2,3]	292,224	3.98	256,850	3.49
Re-Organization	(656,316)	(8.92)	(656,316)	(8.92)
Net book value, end of period[1,4]	$ 2,811,328	$ 38.23	$ 2,811,328	$ 38.23

1 *Net book value per common share is 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 nine months ended September, 2016 was 73,543,831 (2015 – 73,543,831).*

4 *As at September 30, 2016, there were 73,543,831 (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 *(Thousands, except per share amounts)*	**September 30, 2016**	December 31, 2015
Assets		
Cash and cash equivalents	$ **37,368**	$ 127,467
Investments		
Brookfield Asset Management Inc.[1]	**3,959,754**	3,746,873
Other securities	**795,844**	619,363
Accounts receivable and other assets	**13,017**	8,169
	$ **4,805,983**	$ 4,501,872
Liabilities and Equity		
Accounts payable and other liabilities	$ **166,504**	$ 243,527
Preferred shares[2]	**699,858**	706,258
Deferred taxes[3]	**471,977**	424,107
	1,338,339	1,373,892
Equity		
Partners Value Investments Inc.	—	3,127,980
Partnership equity		
Equity Limited Partners	**2,811,328**	—
General Partner	**1**	—
Preferred Limited Partners	**656,315**	—
	3,467,644	3,127,980
	$ **4,805,983**	$ 4,501,872
Net book value per unit'[5]	$ **38.23**	$ 42.53

1 *The investment in Brookfield Asset Management Inc. consists of 86 million Brookfield shares with a quoted market value of $46.13 per share as at September 30, 2016 (December 31, 2015 – $43.65).*

2 *Represents $711 million of retractable preferred shares less $11 million of unamortized issue costs as at September 30, 2016 (December 31, 2015 – $717 million less $11 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 September 30, 2016, there were 73,543,831 (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@pvii.ca or 647-503-6516.

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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.