

Partners Value Investments Inc. Announces 2016 Second Quarter Results

TORONTO, AUGUST 29, 2016 – Partners Value Investments Inc. (the “Company”) announced today its financial results for the quarter ended June 30, 2016.

Net income for the quarter was \$39 million (\$0.53 per common share) compared to \$2 million (\$0.02 per common share) in the prior year quarter. The increase in net income was primarily due to higher level of returns from our investment activity and foreign currency appreciation during the quarter.

The Company’s net book value decreased by \$1.38 per share to \$42.96 per share primarily due to the decrease in the market value of our Brookfield investment. The market price of Brookfield’s Class A common shares decreased 5% during the quarter to \$42.74.

The previously announced capital reorganization was completed and closed on July 4, 2016. Upon closing, all outstanding common and non-voting shares of the Company were exchanged for a combination of equity limited partnership units and preferred limited partnership units, and the common shares of the Company were de-listed. As of July 4, 2016, the Company is a wholly owned subsidiary of Partners Value Investments L.P. and will continue to be a reporting issuer.

Consolidated Statements of Operations

<i>For the period ended June 30 (Thousands)</i>	<i>Three months ended</i>		<i>Six months ended</i>	
	2016	2015	2016	2015
Investment income				
Dividends	\$19,952	\$17,047	\$40,069	\$32,440
Other investment income	3,182	247	5,038	307
	23,134	17,294	45,107	32,747
Less				
Operating expenses	(6,443)	(671)	(8,065)	(1,544)
Financing costs	(410)	(233)	(533)	(246)
Retractable preferred share dividends	(7,697)	(6,976)	(16,249)	(13,953)
	8,584	9,414	20,260	17,004
Other items				
Investment valuation gains (losses)	34,694	(8,389)	35,025	(3,547)
Amortization of deferred financing costs	(604)	(458)	(1,175)	(914)
Change in value of fund unit liability	(1,685)	472	(1,128)	141
Income tax expense	(9,308)	(310)	(18,405)	(987)
Foreign currency gains	7,386	1,228	33,253	2,405
Net income	\$39,067	\$1,957	\$67,830	\$14,102

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 a 9% fully diluted interest as of June 30, 2016.

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

<i>For the period ended June 30, 2016 (Thousands, except per share amounts)</i>	<i>Three months ended</i>		<i>Six months ended</i>	
	Total	Per Share	Total	Per Share
Net book value, beginning of period ¹	\$3,261,712	\$44.34	\$3,127,980	\$42.52
Net income ²	39,067	0.53	67,830	0.92
Other comprehensive income ²	(140,343)	(1.91)	(35,374)	(0.48)
Net book value, end of period ^{1,3}	\$3,160,436	\$42.96	\$3,160,436	\$42.96

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

2) The weighted average number of common shares outstanding during the six months ended June 30, 2016 was 73,546,897 (2015 – 73,546,897).

3) As at June 30, 2016, there were 73,546,897 (December 31, 2015 – 73,546,897) 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>	June 30, 2016	December 31, 2015
Assets		
Cash and cash equivalents	\$66,969	\$127,467
Investments		
Brookfield Asset Management ¹	3,668,760	3,746,873
Other securities	739,290	619,363
Accounts receivable and other assets	29,844	8,169

	\$4,504,863	\$4,501,872
Liabilities and Shareholders' Equity		
Accounts payable and other liabilities	\$215,704	\$243,527
Retractable preferred shares ²	699,463	706,258
Deferred taxes ³	429,260	424,107
	1,344,427	1,373,892
Shareholders' equity		
Common equity	3,160,436	3,127,980
	\$4,504,863	\$4,501,872
Net book value per common share^{4,5}	\$42.96	\$42.52

1) The investment in Brookfield Asset Management Inc. consists of 86 million Brookfield shares with a quoted market value of \$42.74 per share as at June 30, 2016 (December 31, 2015 – \$43.65).

2) Represents \$711 million of retractable preferred shares less \$12 million of unamortized issue costs as at June 30, 2016 (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 June 30, 2016, there were 73,546,897 (December 31, 2015 – 73,546,897) 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.

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.