

Lors de la reprise subséquente de l'activité économique, avec la remontée de ses bénéfices, Power est prête à agir. Elle maintient ou renforce ses participations dans le Groupe Investors, La Great-West, le Montréal Trust, Consolidated-Bathurst et Pargesa – dans plusieurs cas à l'occasion de nouveaux appels publics à l'épargne lancés par ces sociétés. En 1986 et au début de 1987, la Financière Power mobilise directement ou indirectement près de 450 millions de dollars, dont elle garde plus de la moitié sous forme de liquidités.

De son côté, Power Corporation entreprend de nouveaux projets. En 1986, elle achète les stations de radio et de télévision québécoises et ontariennes de la Société Gestion Katenac Ltée et de Prades Inc. et les confie à Diffusion Power, une nouvelle filiale en propriété exclusive. Elle fait un placement fructueux dans Sutter Hill Ventures, une société de capital de risque californienne. Avec Consolidated-Bathurst, elle crée Pâtes à Papier Power Consolidated (Chine) pour acheter une usine de pâte située à Castlegar (C.-B.) dans le cadre d'une alliance à parts égales avec la filiale canadienne de China International Trust and Investment Corporation (CITIC), l'organe d'investissement à l'étranger de la République Populaire de Chine. Ce partenariat, fruit des efforts poursuivis par Power vers la fin des années 1970 pour établir des liens avec la Chine, représente alors le plus gros investissement jamais effectué par CITIC hors de Chine et sera suivi de plusieurs autres.

Dans son rapport annuel de 1986, Power Corporation rappelle ses succès depuis 1967. Son actif est passé de 165 millions de dollars en grande partie investis dans une vingtaine d'entreprises à plus de trois milliards répartis, pour l'essentiel, entre deux sociétés : la Financière Power et

## Power Corp. setting up company to integrate financial services units

By ROBERT GIBBENS  
Globe and Mail Reporter

MONTREAL — Paul Desmarais, chairman of Power Corp. of Canada, Montreal, is putting the group's three major financial services holdings into a new company, Power Financial Corp., with the Caisse de Dépôt et Placement du Québec and two banks as partners.

The objective is to closely integrate Investors Group and Great-West Life Assurance Co., both of Winnipeg, and Montréal Trustco Inc. of Montreal, and merge their services with Pargesa Holding SA, a European-based investment-banking group with major interests in North America.

Power Corp. will own 80 per cent of Power Financial, the Québec Government a pension fund investment agency 15 per cent, the Royal Bank of Canada 2.5 per cent and the Bank of Nova Scotia 2.5 per cent.

The cause will put in

Power Financial as a group will offer a complete range of services to individuals and corporations, primarily in Canada, but also internationally. The move was to have been announced before last week's Montréal Trustco annual meeting, but was delayed.

Mr. Desmarais will be chairman and James Burns, president of Power Corp., will be president and chief executive. The board will include the chief executives of Investors Group, Great-West Life and Montréal Trustco, Robert Jones, Kevin Kavanagh and Robert Causton, respectively. The cause will have 200 seats on the board.

Mr. Desmarais, in a statement, said Power Financial will provide "an overall leading function to ensure that the group is essentially supportive, each company complementing the activities of the others, co-ordinating develop-

ment and distribution of competitive new products and services."

In effect, Power Corp. is responding to the emerging climate of deregulation and strengthening competition in the financial services area. Other major groups such as Toronto-based BNP Paribas Ltd. have set up special holding companies to coordinate the operations of their financial services subsidiaries.

"For the cause, its holding in Power Financial will be a sound long-term investment," Mr. Burns said in a telephone interview. "But the cause and the banks will in effect be passive investors."

He said the new company will provide a means to bring together the services (banking of all three financial services companies — on the national and international levels — and expansion will be through

through acquisitions and development of new products.

Pro-forma details of Power Financial will be available shortly as an offer is being made for minority public holdings in Investors Group.

Power Financial, already with 5.7 per cent of Montréal Trustco through an acquisition of 1.1 million treasury shares, will buy the Power Corp. holdings in Pargesa and Investors Group (including 96.7 per cent of Great-West Life and 83.4 per cent of Montréal Trustco).

In exchange, Power Corp. will receive 21.9 million Power Financial common shares and a \$104-million, non-voting, non-cumulative, non-carrying note. This transaction is non-taxable. Funds from Power Financial's redemption of the same will be used by Power Corp. to reduce its debt by \$100-million.

Power Corp. has granted the cause an option to

one million of common shares for three years, get an option shares each quarter.

Power Corp. will have priority within Investors Group, to be repaid a loan of \$100 million.

The valuation of Power Financial's two-year, non-cumulative, non-carrying note will be about \$100 million.

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## Création de Power Financial

Power Corp. est en voie de regrouper ses intérêts financiers et d'assurance dans un nouveau holding qui sera appelé Power Financial Corp. C'est ce qu'a annoncé hier M. Paul Desmarais, président du conseil d'administration et chef de l'exécutif de Power Corp. La Caisse de dépôt et placement du Québec, la Banque Royale du Canada et la Banque de Nouvelle-Écosse deviennent également actionnaires de la nouvelle compagnie, qui aura son siège à Montréal. Power Financial détendra des actions et coordonnera l'expansion