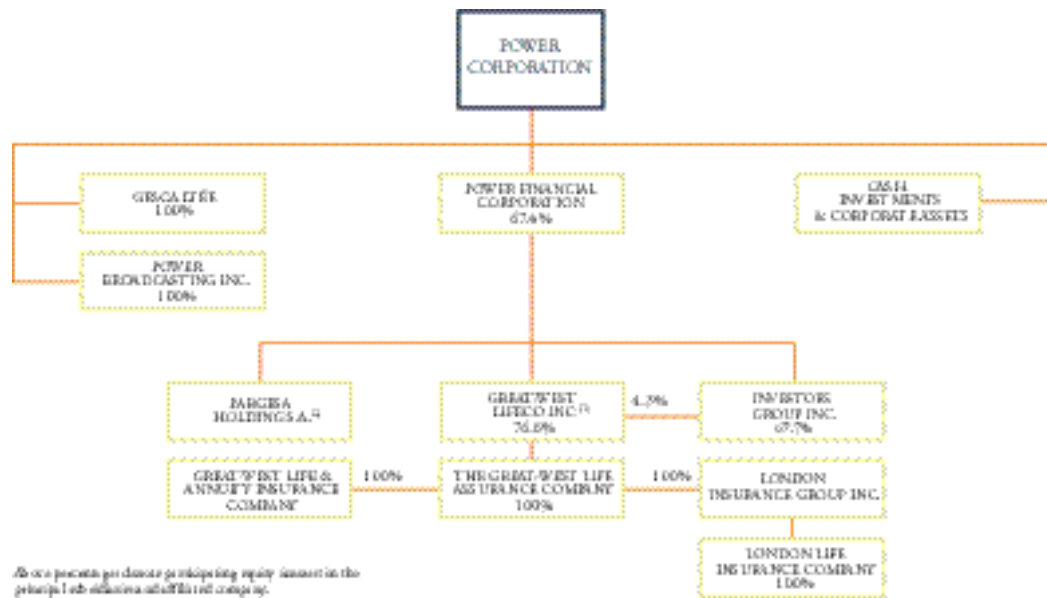


At the 1999 annual meeting Paul Desmarais, Jr. and André Desmarais articulated the principles guiding them in the years ahead. To invest in the equity of companies with a long-term perspective. To invest in companies with the potential, over time, to develop dominant positions within their industry and in good franchises. To limit the number of those investments in order to focus more time and effort, together with management, in defining and executing the best strategies for sustainable earnings, profitable growth and the creation of shareholder value. To put strong managements in place and give them the autonomy they need. "Finally," they stated, "we have a bias for conservative financial structures. This applies not only to Power, but also to its subsidiaries and affiliated companies. All group companies have strong balance sheets which allow them to maintain a healthy competitive posture in slower economic periods, or seize opportunities to develop themselves through internal growth or through acquisitions."

No doubt the next 75 years and beyond will witness a world filled with many unpredictable changes and challenges. Those who guided the fortunes of Power for the first 75 years certainly experienced their fair share and so it will be for successive generations to come. There is every reason to expect that it will also be a period of great opportunity and, as in the past, a time when great dreams will be dreamt and great dreams will be fulfilled.

Power Corporation Holdings
as at December 31, 1999.



All or a portion of direct or indirect equity interest in the principal subsidiaries of the corporation.
 (1) 0.0% direct and indirect voting interest.
 (2) Through indirectly owned subsidiary, Power Financial Europe BV.
 The or Financial Europe that holds a 50% voting interest in the orate NY.
 The orate holds a voting interest of \$1.1 per cent on an equity interest of \$6.4 per cent in Marges Holdings S.A. as at December 31, 1999.