

# POWER CORPORATION OF CANADA

751 VICTORIA SQUARE, MONTRÉAL, QUÉBEC, CANADA H2Y 2J3



EDWARD JOHNSON  
VICE-PRESIDENT, GENERAL COUNSEL  
AND SECRETARY

TELEPHONE (514) 286-7415  
TELECOPIER (514) 286-7490

July 23, 2002

Five Year Review Committee  
c/o Purdy Crawford, Chair  
Osler, Hoskin & Harcourt LLP  
Barristers & Solicitors  
Box 50, 1 First Canadian Place  
Toronto, Ontario M5X 1B8

Dear Mr. Crawford:

I am writing in connection with your Committee's report entitled "Five Year Review Committee Draft Report – Reviewing the Securities Act (Ontario)".

I want initially to say that I find those sections of the Draft Report which I have studied to be very well researched, well written and informative. Your Committee has obviously taken its task seriously and has come up with a report which will serve as a basis for policy for many years.

I wish to comment specifically on the first recommendation in Chapter 14, dealing with financial statement disclosure. The recommendation reads as follows:

**We recommend that the periods for filing annual financial statements be reduced to 90 days after the fiscal year end and that the time periods for filing interim financial statements be reduced to 45 days after the end of each quarter.**

I have difficulty seeing how we could comply with this requirement.

Power Corporation is an international holding company with its headquarters in Montreal, Canada. Our annual audited consolidated financial statements and our unaudited consolidated quarterly financial statements build upon the financial statements of our subsidiaries and affiliated companies in North America and Europe. Several of them are publicly traded companies. The production and release of these companies' financial statements is under their control. Production of our statements is a complex process involving auditors, audit committees, boards of directors and shareholder meetings of several companies in several jurisdictions. Full-year results of Power Corporation are therefore generally available about 90-100 days following the year end. Annual report production and mailing takes an additional two to three weeks. As a result, our shareholders receive the annual audited financial statements 110-120 days after the end of the fiscal year.

We continuously look for ways to shorten this process. We have been able to shave off about a week over the last few years, but it would not be realistic to expect that we could find another 30 days, if we are to provide proper information to our shareholders.

As do many issuers, we release our first quarter results at our annual meeting. Pursuant to OSC rules, this meeting can be no earlier than 33 days following the mailing of the annual report. This usually puts the board meeting and annual meeting at which the first quarter results are announced into the second or third week in May, approximately 45-50 days after the end of the quarter. Printing and mailing of the quarterly report takes another week or so, resulting in delivery to shareholders some 50-55 days following the quarter end.

The foregoing also reflects the timing of the release of financial information of our subsidiary, Power Financial Corporation.

I would point out that in over 17 years with Power Corporation and Power Financial Corporation, I do not recall a single complaint from a shareholder about the timing of the release of our financial information.

**In these circumstances, we would ask that you give consideration to amending your Draft Report to remove the recommendation that the periods for filing annual and quarterly financial statements be reduced.**

I am writing as well on this subject to the Canadian Securities Administrators.

Should you have any questions or should you wish to discuss this matter further, please do not hesitate to be in touch with me at 514-286-7415.

Yours sincerely,

Edward Johnson

EJ/mi