

**PRESS RELEASE**  
*For immediate release*



**Canada's cultural policy:  
Quebecor criticizes preferential treatment for US giants**

**Montréal, September 28, 2017** — Quebecor today expressed reservations about the new Canadian cultural policy unveiled by Canadian Heritage Minister Mélanie Joly. Quebecor is disappointed that the federal government's vision relies on US-based giants to promote the development and vibrancy of our culture.

"We are dismayed by the Minister's repudiation of Canadian companies, which invest heavily to support the development of our culture, make a major contribution to our economy and are actively involved in their communities," said Pierre Karl Péladeau, President and CEO of Quebecor.

"The Minister is endorsing a two-tier system," Mr. Péladeau continued. "On the one hand, there will be foreign platforms that will be able to engage in unfair competition by producing content without taxation and without being subject to Canada's regulatory framework, while receiving production tax credits. On the other, there will be Canadian distributors and broadcasters, which will be taxed and bound by strict and restrictive regulations. That is blatantly unjust."

It might also be suggested that the Trudeau government was taken to the cleaners when it agreed to exempt Netflix from taxation in exchange for an undertaking to spend \$100 million on Canadian content for five years, given that Netflix had already promised to do just that in 2016. The amount in question is only 1% of Netflix's total budget. By comparison, TVA Group alone spends \$300 million per year for just the Québec market. "This paltry agreement is an insult to the leading role of broadcasters, the largest contributors to Canada's audiovisual landscape," Mr. Péladeau added.

Quebecor believes the government should instead encourage production companies to distribute their content on Canadian platforms in order to make locally produced content easy to find and keep audiences inside the Canadian broadcasting system.

"Make no mistake: the government's approach will lead, logically and inevitably, to domination of Canada's broadcasting ecosystem by US giants. The public broadcaster will be the only remaining domestic player, as the private broadcasters' manoeuvring room will have been wiped out. Ultimately, local producers, artists, cultural workers and audiences will be the losers," Mr. Péladeau concluded.

Quebecor intends to actively participate in the process of reforming the *Broadcasting Act*, the *Telecommunications Act* and the *Copyright Act*. However, the Minister's announcement today leaves room for concern about the direction in which the government is heading.

**About Quebecor**

Quebecor, a Canadian leader in telecommunications, entertainment, news media and culture, is one of the best-performing integrated communications companies in the industry. Driven by their determination to deliver the best possible customer experience, all of Quebecor's subsidiaries and brands are differentiated by their high-quality, multiplatform, convergent products and services.

Quebecor (TSX: QBR.A, QBR.B) is headquartered in Québec. It holds an 81.53% interest in Quebecor Media, which employs more than 10,000 people in Canada.

A family business founded in 1950, Quebecor is strongly committed to the community. Every year, it actively supports people working with more than 400 organizations in the vital fields of culture, health, education, the environment and entrepreneurship.

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