

PRESS RELEASE  
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**Assistance for Groupe Capitales Médias:**  
**Quebecor asks court to declare Order in Council null and void**

**Montréal, February 21, 2018** — Quebecor filed a motion in Superior Court today to have the Government of Québec Order in Council of December 2017 that extended \$10 million in financial assistance to Groupe Capitales Médias (GCM) declared null and void. Quebecor believes that in granting this loan in a discretionary manner, the government abused its authority under the Act respecting Investissement Québec, rendering the decision illegal and setting a dangerous precedent for democracy in the 21st century.

“Given the importance of maintaining media independence from the government, any government spending to support print media should be the exception and must be made in a standardized and even-handed manner,” said Pierre Karl Péladeau, President and CEO of Quebecor. “What we see in this case is precisely the opposite. Just months before an election campaign, the government is misusing its authority by granting *ad hoc* financial assistance, without established and known criteria, to one media group. This is a situation that called for the highest degree of transparency. Instead, the government has proceeded in an entirely arbitrary fashion and shown blatant favouritism.”

The financial support for GCM is particularly surprising and unacceptable in view of the fact that it was extended barely two weeks after the Minister of Culture and Communications of Québec announced the eligibility criteria for a \$19.2 million program designed to help the digital shift of print media. The program’s purpose was precisely to “stimulate the transformation of business models by supporting the initiation or continuation of the shift to digital by print news media.”

Quebecor’s motion notes that section 19 of the *Act respecting Investissement Québec*, on which the Order in Council was based, stipulates that “When the Government gives it the mandate to do so, the Company must grant and administer any one-time financial assistance the Government determines for the realization of projects that are of major economic significance for Québec.” GCM’s digital transition project has neither the scale, nor the potential, nor the necessary impact to make it a project of major economic significance for Québec. This fact is underscored by GCM’s inability to specify the expected impacts of the transition, such as the number of jobs that will be saved or whether it will involve newspaper closures. GCM also says that much of the work has already been done, which casts further doubt on the economic benefits that may accrue from the financial assistance.

In view of the above, it would appear that the assistance was granted on the basis of considerations other than economic benefit.

As a discretionary act by the government may not be based on considerations that are foreign to the letter and the spirit of the enabling legislation, Quebecor believes the Order in Council should be declared null and void.

“At a time when print media are facing both a financial crisis and a crisis of confidence, every effort must be made to ensure that government support for the media serves to strengthen public confidence in the press, not to undermine it. The assistance granted to Groupe Capitales Médias misses the mark by every measure,” Mr. Péladeau concluded.

### **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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