PRESS RELEASE
For immediate release

Bell Media one step closer to becoming a monopoly again

Montréal, July 25, 2019 — The acquisition of the over-the-air network V and its digital assets by Bell Media (Bell) will further undermine an already precarious ecosystem by allowing a dominant player to become still more so. The transaction will significantly alter the balance of power between media companies and have major consequences. Bell, the largest vertically integrated provider of telecommunications and broadcasting services in Canada, already holds a dominant position in both the French and English specialty channel markets and the radio market across Canada. It will now be able to dramatically increase its power and dominance in the French-language market in terms of competitive posture, advertising revenues and content offerings, ultimately at the expense of the consumer.

The issues with this transaction are not limited to the market share numbers. The impact on the competitive landscape and the implications of across-the-board media concentration in the hands of Bell, in both the English- and French-language markets, must also be considered.

In May 2018, the Competition Bureau blocked Bell's acquisition of the specialty channels Séries+ and Historia in order to prevent "a substantial lessening of competition." Applying the same reasoning, the acquisition of a conventional network and its digital assets by a giant such as Bell should raise even graver concerns.

"Bell was originally a monopoly and its actions of recent years appear to be aimed at becoming a monopoly again and adopting a business model based on the elimination of all competition," said Pierre Karl Péladeau, President and CEO of Quebecor. "The acquisition of a French-language conventional network will not only increase Bell's dominance but prevent other players from being competitive in content acquisition and advertising offerings. After the absorption of Astral by Bell, yet another Québec head office will be swept away by a Toronto-based giant. At the end of the day, Québec television viewers will lose out. Is this the future we want for Québec television? As a shareholder in V through Investissement Québec, the government of Québec must intervene to block this deal. In the long run, this takeover would threaten our ability to maintain the requisite resources to sustain our newsrooms and our expertise in news coverage, one of the foundations of a healthy and vibrant democracy."

Dangerous advertising market concentration

A central concern is Bell's ability to use its immense market power to control the advertising market as it pleases. With its preeminent position in the conventional television, specialty channel, pay TV, radio, distribution, Internet, mobile, digital media and out-of-home businesses across Canada, its control over pro sport teams, and more than a billion dollars in annual television advertising revenues, Bell will be in a position to dictate market trends and prescribe advertising rates. History also shows that Bell is prepared to engage in anti-competitive practices. It must be borne in mind that advertising is the main source of revenue for all conventional television stations.

Impact on content offerings

Bell's market domination will also produce a serious imbalance in bargaining power in the race for television content and enable Bell to drive up the price. With its presence in the French- and English-language markets, Bell will easily be able to sign agreements for multiplatform rights in both languages.

"It is short-sighted to think that this transaction will strengthen Québec's television ecosystem," said France Lauzière, President and CEO of TVA Group and Chief Content Officer of Quebecor Content. "As in the case of the acquisition of Astral's specialty channels, the addition of an over-the-air network will only increase Bell's bargaining power and lead to a market controlled by one dominant player, negatively affecting consumer choice."

Quebecor plans to make its case to the appropriate bodies.

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.

Québec-based Quebecor (TSX: QBR.A, QBR.B) 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 more than 400 organizations in the vital fields of culture, health, education, the environment and entrepreneurship.

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— 30 —

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