

PRESS RELEASE

For immediate release

Bell Media's acquisition of V will weaken entire broadcasting system

Montréal, November 29, 2019 - Quebecor today filed with the Canadian Radio-television and Telecommunications Commission (CRTC) its intervention concerning the acquisition of the conventional network V (V) and its digital assets by Bell Media (Bell). In view of Bell's national dominance across Canada and the damaging repercussions of the acquisition, including fragmentation of the advertising market, the bidding up of content acquisition costs, and deterioration in the general quality of French-language television in Québec, Quebecor opposes the transaction and is asking the CRTC to deny it outright.

"Why does Bell want to acquire V now, after selling it in 2008?" asked Pierre Karl Péladeau, President and CEO of Quebecor. "Clearly, Bell wants to rebuild its monopoly and achieve dominance in the television industry, and more broadly the media sector in Canada. It is therefore imperative that Bell's acquisition of V be assessed in terms of its impact on competition in the Canadian market as a whole. By weakening the other industry players, this acquisition will undermine the quality of information and diversity of voices that are the foundation of a healthy democracy. The industry cannot allow this situation to arise and the competent bodies must refuse this transaction. Denying the serious consequences of this acquisition would be short-sighted indeed."

"TVA takes pride in offering Quebecers the best content but the fact remains that the television market is shaky and is dependent on advertising revenues for its survival," said France Lauzière, President and CEO of TVA Group and Chief of Content of Quebecor Content. "If Bell uses its national market power in Canada to crush competition in Québec, this will certainly cause significant revenue losses for the other players and jeopardize our ability to deliver compelling French-language television offerings. Québec viewers and cultural workers are the ones who stand to lose out."

To those who claim that Bell's acquisition of V will create a balance with Quebecor:

Popularity should not be confused with market dominance, as Bell appears to do. A large audience share means that a channel is popular with viewers, which is the case with TVA. However, market dominance is measured by share of national revenues and media reach relative to other players. With almost six times the total revenues of Quebecor and an 80% reach in Canada's television market, Bell is dominant and enjoys a position that cannot be matched by any other industry player. The addition of a French-language conventional channel such as V would only accentuate Bell's hegemonic stature and the risk that it will abuse its power to crush all competition.

To those who believe that adding a conventional channel will not increase Bell's power and influence in the industry:

The addition of V would fill in the only missing piece that Bell needs in its portfolio in order to consolidate its position in the Québec market. This transaction would give it near-total control over the entire industry, thus increasing its bargaining power and purchasing power in the national advertising and content acquisition markets.

With V, Bell would control 42% of total advertising revenues in Canada and more than 48% of the advertising revenues of Canada's private conventional television stations. This would be a totally

untenable situation. Bell could use its monopoly to dictate advertising rates and exert crushing pressure on other players, which would have to lower their rates to compete. The resulting decrease in their revenues would have a detrimental effect on Canadian programming and local news. In addition, with V, Bell could also throw in Québec at a discount in advertising agreements for its English-language channels across Canada. The television ecosystem is already under serious threat; there is no need to further undercut the position of broadcasters for the benefit of a giant such as Bell.

As the largest buyer of content in Canada's English-language market, Bell could use its acquisitions of English rights to pressure content providers to sell it French-language content at the same time, short-circuiting competition in the French-language market. Bell's ability to block other players' access to content would cause significant revenue losses for its competitors, and the variety and quality of their French-language television programming would be impaired as a result. Ultimately, it is the consumer who would lose out.

To those who claim that Bell's acquisition of V will benefit the entire Québec television ecosystem:

The acquisition of V would take Bell another step closer to reclaiming its monopoly position. Allowing a single player to exercise such immense power could have a domino effect, with serious consequences for the rest of the industry: an exponential increase in Bell's bargaining power, control over the advertising and content acquisition markets for Bell, less media diversity, a general deterioration in the quality of French-language television in Québec, and job losses.

To maintain healthy competition and the industry's sustainability, Quebecor intends to vigorously defend its position at the CRTC public hearings scheduled to begin on February 12, 2020.

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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Information:

Quebecor

514-380-4572

medias@quebecor.com