



Activity Report 2015

INNOVATING
FOR
EXCELLENCE

QUEBECOR





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2015 IN BRIEF

JANUARY

- › Quebecor Media Sales unveils the new structure for its sales and marketing team aimed at maximizing the value of its consulting services for business customers and giving them the best possible return on their advertising spend.

FEBRUARY

- › Quebecor Media signs strategic partnership for the Videotron Centre with Live Nation Entertainment and Ticketmaster ticketing service, which operates in Québec under the name Réseau Admission.
- › Quebecor announces the discontinuation of the operations of the English-language news and opinion specialty channel, SUN News.

MARCH

- › Québec Court of Appeal rules in favour of Videotron Ltd. and TVA Group Inc., and orders Bell ExpressVu Limited Partnership, a subsidiary of Bell Canada, to pay compensation totalling \$135.3 million to Videotron and \$0.6 million to TVA Group for having neglected to implement an appropriate security system in a timely manner to prevent piracy of its satellite television signals between 1999 and 2005, thereby harming its competitors and broadcasters.
- › Videotron acquires 4Degrees Colocation Inc. and its data centre, the largest in Québec City.
- › Videotron announces the acquisition of four 30 MHz spectrum licences in the AWS-3 band for Eastern, Southern and Northern Québec, Eastern Ontario and the Outaouais, covering 100% of Québec's population as well as the Ottawa area.

APRIL

- › Quebecor Media Inc. closes the sale of its English-language newspaper businesses in Canada: more than 170 newspapers and publications, the Canoe portal in English Canada and 8 printing plants.
- › TVA Group closes the acquisition of 14 magazines, 3 websites and custom publishing contracts from Transcontinental Inc.
- › Quebecor Media signs an 8-year strategic partnership for the Videotron Centre with AEG Facilities, the world leader in sports and entertainment venue management.

MAY

- › Videotron expands its mobile network to cover more than 90% of Quebecers.
- › Videotron acquires 18 spectrum licences in the 2500 MHz band, covering all of Québec and the major urban centres in the rest of Canada, including Toronto, Ottawa, Calgary, Edmonton and Vancouver.

JULY

- › Quebecor Content announces a long-term, multiplatform agreement with Sony Pictures Television Canada (Sony Canada), one of the world's largest producers and distributors of entertainment content. The partnership will allow Club illico to offer a vast selection of movies and television series, and will give TVA Group's television channels exclusive French-language broadcast rights to productions in Sony Canada's catalogue.
- › Quebecor files an application under the National Hockey League (NHL) expansion process for a professional hockey franchise in Québec City.

AUGUST

- › Videotron mobile network introduces its Unlimited Music service.
- › Videotron becomes the first Canadian telecommunications provider to offer customers throughout its service area an ultra-high-definition (UHD) PVR on a commercial basis.
- › TVA Group modernizes the brand image of its film and audiovisual production services by choosing a name that already enjoys a firmly established reputation in the industry: MELS.

SEPTEMBER

- › Quebecor closes the sale of the retail operations of Archambault Group Inc. to a Groupe Renaud-Bray inc. company.
- › Videotron Centre in Québec City is officially opened on September 8, 2015.

OCTOBER

- › Videotron announces the creation of illico Cloud, which lets users access their functionalities, settings and content on all their devices (television, mobile, tablet, Web).
- › Quebecor Content announces a strategic partnership with NBCUniversal International Studios (NBCUniversal) to develop new studio-based program formats.
- › Quebecor Content breaks into the young adult market with the announcement of a major agreement with French company meltygroup, which operates a series of websites for audiences in the 15-30 age group and is a leading global player in its niche.
- › Quebecor Digital launches Studios Goji inc., a talent collective that provides a springboard for the best YouTube content creators and supports multiplatform development of their brands.

NOVEMBER

- › TVA Group announces the appointment of Michel Trudel as President of MELS, the Canadian film and television production leader.
- › TVA Nouvelles unveils its new app and website. More than ever, the completely redesigned platforms provide users with real-time news anywhere, anytime, through modern, innovative, state-of-the-art interfaces.

DECEMBER

- › Event Management Gestev Inc. (Gestev) and Groupe Boucher Sports officially announce the acquisition of the assets of Marathon de Québec inc., organizer of the Run Quebec City races, including the famous SSQ Quebec City Marathon.



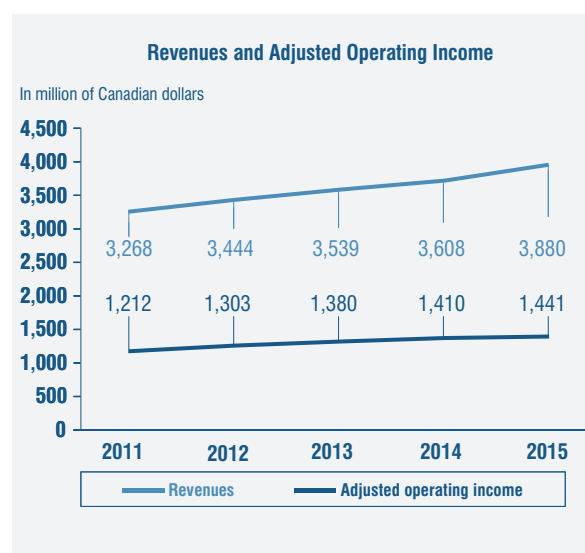
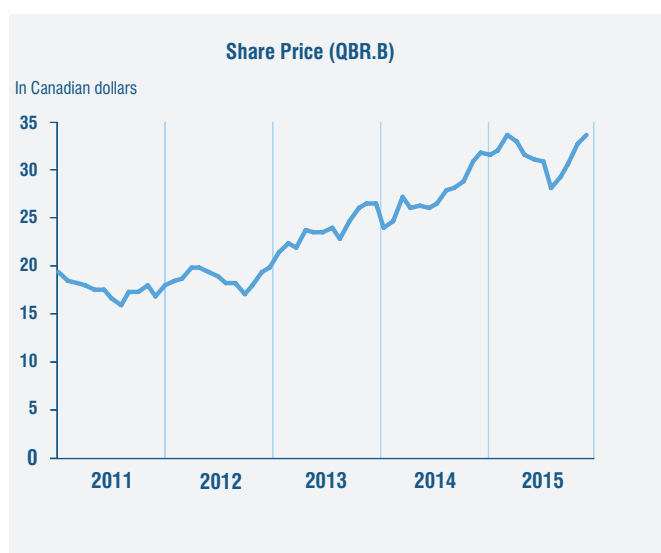
Highlights

HIGHLIGHTS

Financial years ended December 31, 2015, 2014 and 2013
(in millions of Canadian dollars, except per share data)

| | 2015 | 2014 | 2013 |
|---|------------|------------|------------|
| OPERATIONS | | | |
| Revenus | \$ 3,879.5 | \$ 3,607.7 | \$ 3,538.8 |
| Adjusted operating income ¹ | 1,440.7 | 1,409.8 | 1,380.4 |
| Contribution to net income (loss) attributable to shareholders: | | | |
| Continuing operations | 239.9 | 209.7 | 185.3 |
| Gain (loss) on valuation and translation of financial instruments | 4.7 | (95.3) | (279.3) |
| Unusual items | (79.0) | (85.4) | (33.2) |
| Discontinued operations | (13.8) | (59.1) | (161.4) |
| Net income (loss) attributable to shareholders | 151.8 | (30.1) | (288.6) |
| Cash flows provided by continuing operating activities | 1,072.2 | 960.7 | 898.2 |
| BASIC DATA PER SHARE | | | |
| Contribution to net income (loss) attributable to shareholders: | | | |
| Continuing operations | \$ 1.95 | \$ 1.70 | \$ 1.49 |
| Gain (loss) on valuation and translation of financial instruments | 0.04 | (0.77) | (2.25) |
| Unusual items | (0.64) | (0.69) | (0.27) |
| Discontinued operations | (0.11) | (0.48) | (1.30) |
| Net income (loss) attributable to shareholders | 1.24 | (0.24) | (2.33) |
| Dividends | 0.13 | 0.10 | 0.10 |
| Equity attributable to shareholders | 2.44 | 4.10 | 4.83 |
| Weighted average number of shares outstanding (in millions) | 122.7 | 123.0 | 124.0 |
| FINANCIAL POSITION | | | |
| Long-term debt | \$ 5,812.4 | \$ 5,048.2 | \$ 4,975.3 |
| Equity | 652.0 | 1,063.3 | 1,195.4 |
| Total assets | 9,275.9 | 9,078.5 | 9,016.4 |
| EMPLOYEES | 10,300 | 13,800 | 15,100 |

¹ Adjusted operating income is referred as a non-International Financial Reporting Standards measure and is defined as net income (loss) before amortization, financial expenses, (gain) loss on valuation and translation of financial instruments, gain (loss) on litigation, restructuring of operations and other items, impairment of goodwill and other assets, loss on debt refinancing, income taxes and (loss) gain from discontinued operations.



Message to shareholders

Today's consumers want full control over how they get their news and entertainment. This fact becomes plainer every year. Today's consumers want to be able to connect anywhere, anytime, on any platform. The spread of new technologies and digital has brought with them explosive growth in content, and all of it – news, movies, sports, documentaries, entertainment – is available on the Web.

Operating as we do in an industry that is changing at lightning speed, Quebecor has chosen the only strategy that will allow it to adapt and stay at the cutting edge: innovation – innovative technology, innovative content, innovative customer experience.

TECHNOLOGY: THE CORNERSTONE OF OUR STRATEGY

Fast-paced technological progress presents major challenges, not the least of which is the investment it entails. More than ever, we need to make the right choices at the right time if we are to meet consumer expectations and deliver the return on investment shareholders expect.

Since entering the mobile market, Videotron has invested approximately \$3 billion in technology and in Québec's economy, and has created 3,000 jobs. In the space of a few years, it has upgraded its mobile network from 3G to 4G and, more recently, to LTE, in partnership with Rogers Communications Inc.

It is now indisputable that the business strategy that propelled Videotron into the mobile market was based on a far-sighted reading of market trends and has proven to be a resounding success. The numbers tell the story. After posting strong annual subscriber growth, at year's end, the company had more than 768,000 subscriber connections to its mobile service. Mobile revenues were up \$116.0 million year over year.

Videotron continued breaking new ground in 2015. Among other things, it released a 4K Ultra-HD PVR, a Canadian first, launched its Unlimited Music service, also a Canadian first, and introduced illico Cloud. For the 10th year in a row, Videotron was Québec's most respected telecommunications company in the annual Léger corporate reputation survey.

Videotron Business Solutions is another growth driver for the Telecommunications segment, achieving a 60% penetration rate among small and medium-sized Québec businesses with 125,000 customers. To strengthen its leadership in the business market and position itself in the cloud computing business, Videotron acquired 4Degrees Colocation, a company that specializes in server hosting. The acquisition of 4Degrees Colocation's data centre in Québec

City, followed by its expansion in 2016 and construction of another data centre in Montréal's Saint-Laurent borough, involve total expenditures in excess of \$110 million.

CONTENT: THE KEY THAT OPENS EVERY DOOR

Content was the hot topic in the digital world in 2015. Consumers are hungrier than ever for content of every variety on all screens: smartphones, computers, tablets.

We have a clear strategy: produce original content and deliver it via a service tailor-made for Quebecers: Videotron's Club illico. Already, Club illico has released three original productions: *Mensonges*, *Karl & Max* and *Blue Moon*. Barely three years after its launch, Club illico has more than 250,000 subscribers.

Our content strategy has succeeded in attracting so many consumers because it is supported by the pillars of our convergence and multiplatform content exploitation strategy: our TVA over-the-air television network, our daily newspapers (*Le Journal de Montréal*, *Le Journal de Québec*, *24 heures*) and our magazines (published by TVA Publications Inc. and Les Publications Charron & Cie inc.). As No. 1 in their respective markets, they continue to have great impact. Within the past few months, the two dailies have also revamped their websites and released the new, customizable J5 app.

Quebecor thus lets consumers choose their preferred method of accessing information and entertainment: print, computer, smartphone, or tablet.

However, offering high-quality television programming and other content remains a challenge because of high production costs. Quebecor has therefore developed new business models, including adopting an international joint content development strategy. Several agreements have already been signed with partners including NBCUniversal, the French companies KABO Family and TF1 Production, as well as Armoza Formats.

The recent acquisition of substantially all the assets of A.R. Global Vision Ltd. (Global Vision), now operated by Mels Studios and Postproduction G.P. (MELS), which works with major studios around the world and is involved in the best Québec productions, diversifies our revenue streams by moving into a related and growing line of business. The acquisition of this property has had an immediate impact. Our Media segment grew its revenues by more than 13% and its adjusted operating income by more than 20% in 2015, largely because of MELS. TVA Sports also contributed to the strong results, passing the 2-million-subscriber mark.

The Sports and Entertainment Group also promises to be a major contributor to our content strategy. Since opening its doors in September 2015, the Videotron Centre has been a real success, quickly establishing itself as a regular stop on the international concert circuit. Already, more than 800,000 spectators (as of February 29, 2016) have passed through the turnstiles to see sporting events and shows at the venue. As host of major events, the Videotron Centre is slated to play a key role in our operations and in our business strategy. The Remparts de Québec, one of our two Quebec Major Junior Hockey League (QMJHL) teams, has set new attendance records at their new home, drawing an average of almost 14,000 spectators per game.

In all its lines of business, Quebecor pursues a single goal: to deliver an optimal customer experience, one that is original, user-friendly and, increasingly, customizable. To do so, we rely on our people, who are constantly animated by their creative drive and spirit of innovation.

CREATING SHAREHOLDER VALUE

In 2015, Quebecor posted \$3.88 billion in sales, a \$271.8 million (7.5%) increase over 2014. The Telecommunications segment grew its revenues by \$169.7 million (6.0%) to break through the \$3.00 billion mark. Revenues from three of Videotron's services were up significantly in 2015: mobile telephony revenues rose by \$116.0 million (40.3%), Internet access services by \$64.6 million (7.5%) and the Club illico over-the-top video service by \$11.4 million (93.4%). All of Quebecor's segments reported higher revenues. Adjusted operating income totalled \$1.44 billion, a \$30.9 million (2.2%) year-over-year increase.

Net income attributable to shareholders was \$151.8 million (\$1.24 per basic share) in 2015, compared with a net loss attributable to shareholders of \$30.1 million (\$0.24 per basic share) in 2014. The favourable variance of \$181.9 million (\$1.48 per basic share) was due in part to the \$166.5 million favourable variance in the gain (loss) on litigation, restructuring of operations and other items. We want to underscore our business plan's ability to deliver tangible results for shareholders, as witnessed by the 6.0% increase in the value of Quebecor's shares during the year.

IN SYNC WITH QUÉBEC

From its inception, Quebecor has had deep roots in Québec. Its head office is still on Saint-Jacques Street in Montréal. What's more, our entire management team is based in Québec. Our organization's daily life is in tune with that of Québec.

Among other things, this close relationship with Quebecers underlies our enthusiastic backing for approximately 400 organizations and events that contribute, each in its own way, to making Québec richer economically, culturally and socially. It is a privilege and an honour to be able to support Québec's progress.

GROWING TOGETHER

Quebecor's success is that of all Quebecers who strive, innovate and roll up their sleeves to make ours a better society and support its growth.

Our success is that of our shareholders, directors and employees, whose sound judgment, expert eye and demonstrated competence help us make the right decisions, develop effective, innovative business plans and achieve an optimal quality of execution in the conduct of our business.

Our success is also that of the thousands of customers and partners who place their trust in us, day after day.

The words of our founder, Pierre Péladeau, at the *Les grands enjeux 92* conference nearly 25 years ago, are as relevant today as they were then: "There is no precise recipe for managing a business. You have to adapt to the circumstances." That is one of the core truths that guide us.



The Right Honourable Brian Mulroney
Chairman of the Board



Pierre Dion
President and Chief Executive Officer

TELECOM GROUP

A low-angle photograph of a telecommunications tower against a clear blue sky. The tower is a complex lattice of metal with several large, white, circular satellite dishes or antennas attached. The image is overlaid with geometric shapes: a large pink-to-white gradient triangle on the left side, and a light blue triangle in the bottom right corner. The overall aesthetic is modern and technological.

TELECOMMUNICATIONS

VIDEOTRON LTD.

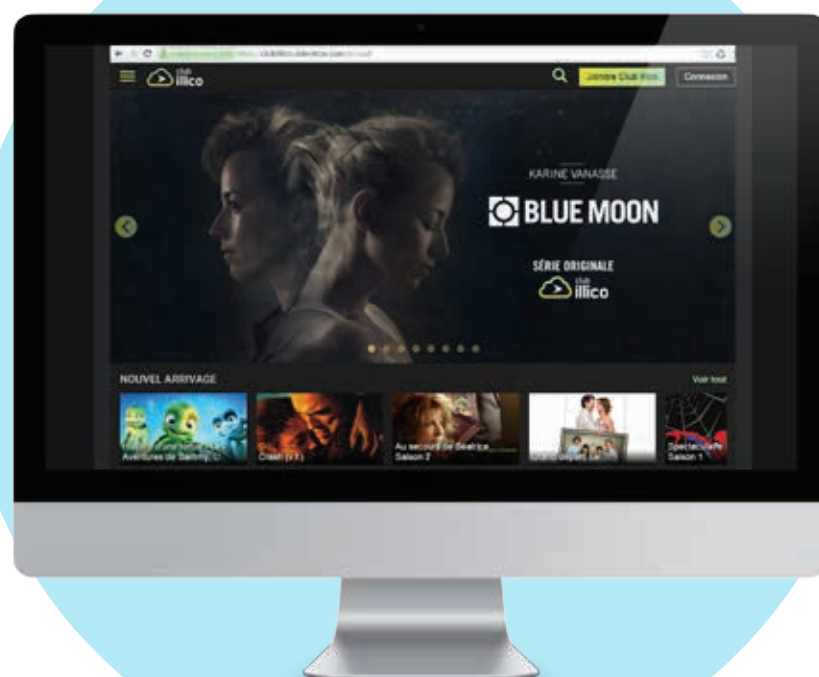
For more than 50 years, Videotron has been a telecommunications leader in Québec. In 2015, the company's standing with Quebecers was confirmed yet again when it was rated Québec's most respected telecommunications provider for the 10th consecutive year in Léger's *Réputation 2015* survey. It was also at the top of the list of the most influential telecommunications brands in Québec according to the Ipsos-*Infopresse Influence des marques 2015* survey.

Videotron also won recognition for its leading-edge marketing, picking up a 2015 Créa award in the newspaper advertising category for its *Textos* campaign. The Créa awards recognize Québec's best advertising campaigns.

When it comes to innovation, Videotron was not idle in 2015. It became the first Canadian telecommunications provider to offer customers throughout its service area a UHD PVR on a commercial basis. In October 2015, Videotron also announced the creation of illico Cloud, which lets users access their functionalities, settings and content on all their devices (television, mobile, tablet, Web). The launch was accompanied by a host of product improvements, the largest upgrade since illico new generation was introduced. In yet another innovation, Videotron released an Apple Watch-app for illico.

The Club illico over-the-top video service, an instant hit in Québec, continued to grow in popularity, increasing its subscriber base by an impressive figure of nearly 45% in 2015, with more than 250,000 members at year-end. Club illico currently carries the largest selection of unlimited on-demand French-language content in Canada, with more than 4,000 titles. In addition to the many popular titles already available, such as the French versions of *Mad Men*, *New Girl* and *Flash*, *Mensonges* (season 2), *Les beaux malaises* (season 3) and *Le dôme* (season 3), Club illico attracted strong interest by announcing the original series *Blue Moon* and *Karl & Max*.

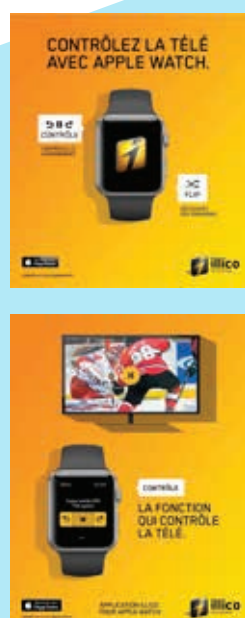
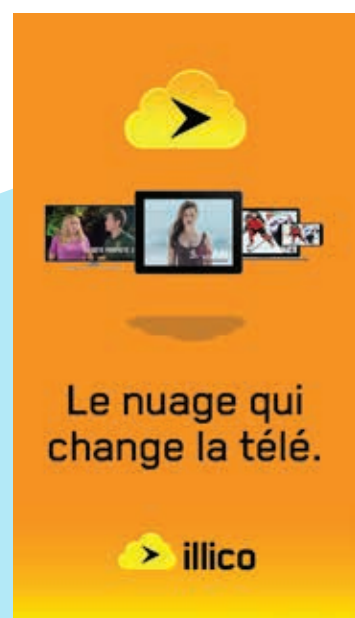
Videotron made a splash with the launch of Unlimited Music, a new service that lets customers stream music from the most popular streaming services, including Stingray, Google Play, Deezer and Spotify, without using their data plan.



To deliver the best possible service, Videotron worked with several partners to extend its mobile network to reach more than 90% of Quebecers. The initiative helped achieve a marked improvement in user experience when the expanded coverage came into effect on May 13, 2015.

On the business services front, Videotron Business Solutions acquired 4Degrees Colocation and its data centre, the largest in Québec City, to enhance its suite of services for business customers and meet their growing technological and hosting needs.

Videotron Business solutions also announced the launch and availability of 100 mbps Internet access for business customers throughout its service area, bringing speeds twice as fast as those of its closest rival to some areas.





MAtv

True to its mission as a community television channel, MAtv broadcast more than 5,000 hours of original local programming across Québec. The regional MAtv channels devoted more than 60% of their schedules to local content. They also offer the public unique access to a local media outlet and give volunteers a chance to get involved and enjoy an enriching television experience. In the fall of 2015, MAtv Montréal added English-language programs to its line-up. Five new shows were produced to better represent the varied faces and voices of Montrealers. English programs now make up more than 20% of MAtv's schedule.

More than ever, MAtv's 2015 schedule addressed a wide variety of interests: civic life, local culture, diversity and local know-how. From intercultural magazine shows about immigration issues, to legal information shows, to programs that give citizens and organizations a voice, the goal is to be accessible to citizens and to reflect their lives. Individuals and community organizations are

encouraged to submit program ideas at any time to Videotron's community channel.

Firmly rooted in Québec's communities and households, MAtv is on the ground supporting many local social and cultural events. Every year, it is involved in more than 250 community events across Québec.

The *MON Bénévolat* program has been upgraded so Quebecers can participate more in the production of community programming. At MAtv, volunteers receive guidance in television trades and are supervised as they learn the ropes. In 2015, MAtv welcomed nearly 275 volunteers, who put in more than 6,500 hours at MAtv stations across the province.

Finally, nine citizens who are involved in the community and who reflect Montréal's vitality agreed to serve on MAtv's Advisory Committee, which helps ensure that MAtv's programming is representative of the Montréal community.



LE SUPERCLUB VIDÉOTRON LTÉE

Determined to maintain its leading position in a landscape teeming with new players and technological innovations, Le SuperClub Vidéotron stepped up the transformation of its chain of stores by renovating some 20 locations and introducing a new concept: Vidéotron Premium stores with more space for sales and advice. Nearly \$3 million was spent on the transformation, in conjunction with the franchise holders.

Le SuperClub Vidéotron now has 122 locations, 74 with a Videotron counter offering illico, Internet, mobile telephony and residential telephony services, and 63 Microplay™ shops.

Over and above these business synergies and innovations, the bedrock of Le SuperClub Vidéotron's success and the core of its customer loyalty strategy is the excellent service provided by employees who are passionate about movies.





MEDIA GROUP



BROADCASTING

TVA NETWORK

TVA Group is the largest French-language broadcaster in North America. Its TVA Network and specialty services have a combined 34.1% market share, far ahead of their closest rivals.

TVA Network held its No. 1 position 7 days a week, from *Salut, Bonjour !* in the morning to the 10 pm newscast, with a 23.5% market share, compared with 13.4% for Société Radio-Canada (SRC) and 7.4% for V. No fewer than 19 shows on TVA Network's schedule attracted more than a million viewers.

La Voix, *Gala Artis*, *Les beaux malaises* and *Le Banquier*, as well as series such as *Boomerang*, *Pour Sarah*, *Au secours de Béatrice* and, now in its seventh successful year, *Yamaska*, have been smash hits in Québec for years, with legions of loyal fans.

TVA's television news programs are by far the most watched in Québec. The newscast anchored by Pierre Bruneau led the news ratings in Québec with audiences of more than 800,000 during the winter season, twice as many as the SRC news.

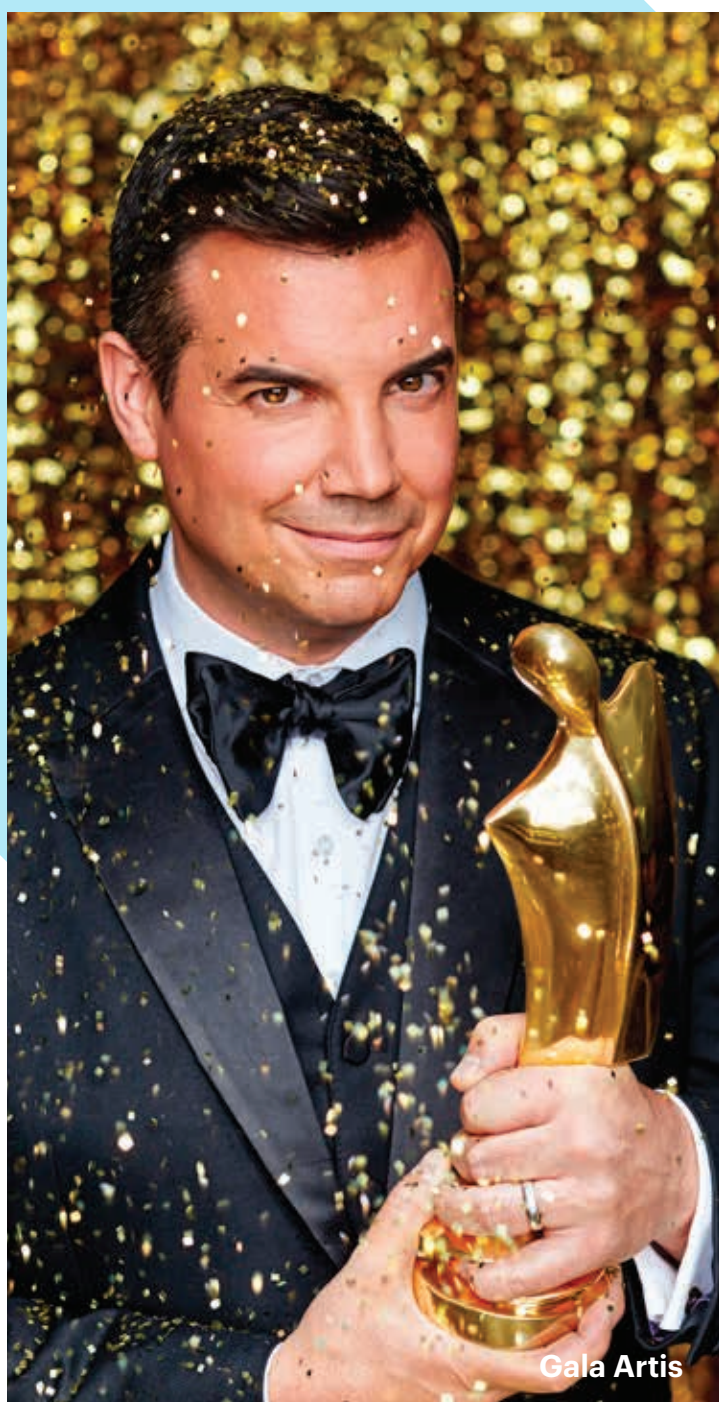
TVA Network's news department demonstrated its leadership once again during the federal elections in October 2015, in which TVA and LCN emerged as the runaway victors. TVA's innovative face-to-face debates were the most-watched debates during the election campaign. TVA's election-night coverage, hosted by Pierre Bruneau, set the standard in Québec, drawing an average of 717,000 viewers on TVA Network and 219,000 on LCN for a combined market share of 35.9%.



Salut, Bonjour ! continued keeping viewers company in the morning, holding its position as Québec's most popular breakfast show. After 28 seasons, the show pulled off the feat of growing its audience by 7% to an average of 377,000 viewers.

STAND-OUT SHOWS

- › In winter 2015, *La Voix* topped the ratings in Québec with an average of 2,774,000 viewers and a 59% market share, making it the most successful of the adaptations of *The Voice* broadcast in 60 countries around the world. The highest average audience was close to 3 million. In social media, the hashtag #LaVoixTVA regularly trended No. 1 in Canada and was even No. 2 in the world at one point.
- › Season 2 of the Martin Matte comedy *Les beaux malaises* was watched by nearly 2 million viewers and picked up more than 17 awards in 2015, making it the year's most critically and publicly acclaimed comedy.
- › The new drama series *Pour Sarah* had an average audience of 1,545,000. Distinct strategies were implemented to reach young people and adults. Episodes were available on the show's website for seven days immediately after airing on TVA. With 307,000 viewers and a 19.3% market share, *Pour Sarah* was the third-most-popular show in the 18-34 demographic.



Gala Artis



Au secours de Béatrice



Special program
Fédérales 2015

SPECIALTY CHANNELS

TVA Group's specialty channels attracted more subscribers and increased their market share. In winter 2015, the entertainment channels were watched by 3.2 million French-speaking Quebecers per week, again confirming the drawing power of TVA Group's specialty channels.

More than 10 years after its launch, addik^{TV} remains the destination for fans of television drama. With more than 1.3 million subscribers, the channel further increased its viewership and grew its subscriber base by 12% in one year.

MOI&cie doubled its market share and audience during the year. It achieved the record numbers by diversifying its schedule through the addition of shows that are surprising, daring and moving. Its original productions, such as the documentaries *#Bitch* and *Les différents*, and the series *Les Dieux de la scène – Rebelles* and *Flip de fille*, attracted highly positive media attention.

Yoopla celebrated its fifth birthday in 2015. The multiplatform brand distinguished itself by offering programming based on important values for child development, a winning strategy that drew 803,000 viewers per week.

In spring 2015, Prise 2 pleased fans of classic television by rerunning the first season of *Lance et Compte*, while its original production, *Prise 2 se souvient – La petite histoire*, revisited unforgettable moments from cult hit shows broadcast from 1998 to 2007. Prise 2 is the only all-classics channel to broadcast shows from all networks.



TVA Sports

Every week, CASA helped 1.1 million viewers plan their renovation and DIY projects, 31,000 more than the previous year. The channel's web platform was as popular as ever, attracting an average of 283,000 unique visitors per month.

The 24-hour news channel LCN dominated its niche with a 3.6% market share among adults and maintained its status as Québec's trusted news source.

TVA Sports outpaced the competition by carrying more than 250 hockey games, including the Montréal Canadiens' Saturday night games, the Stanley Cup playoffs and special events such as the *Winter Classic* and the *All-Star Weekend*. TVA Sports scored a major coup in 2014 when it signed a 12-year deal with the NHL.

Keeping pace with consumer preferences, TVA Sports broke new ground by introducing a cutting-edge digital service: *TVASports.ca*. The site was a monster success, logging 12.8 million visits during the playoffs and 3.2 million video views. The TVA Sports and TVA Sports Hockey apps were also enormously popular, with more than 300,000 downloads.

Besides broadcasting major league baseball (MLB), the Toronto Blue Jays and the National Football League, TVA Sports carried Montréal Impact games and major boxing bouts in 2015, including fights featuring Jean Pascal, Lucian Bute, Adonis Stevenson and David Lemieux.

The future looks bright for TVA Sports. In 2015, it acquired broadcast rights to the World Cup of Hockey, Réseau du sport étudiant du Québec (RSEQ) and Canadian Interuniversity Sport (CIS) university football, the Rogers Cup and Women's Tennis Association tournaments.



Les Dieux de la scène – Rebelles



#Bitch



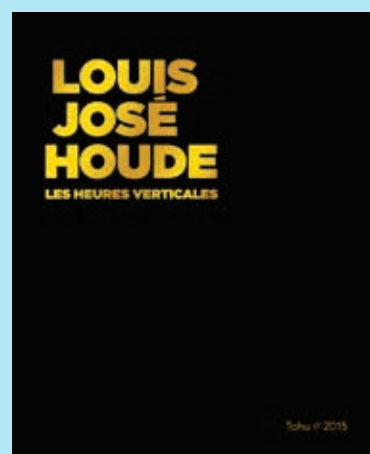
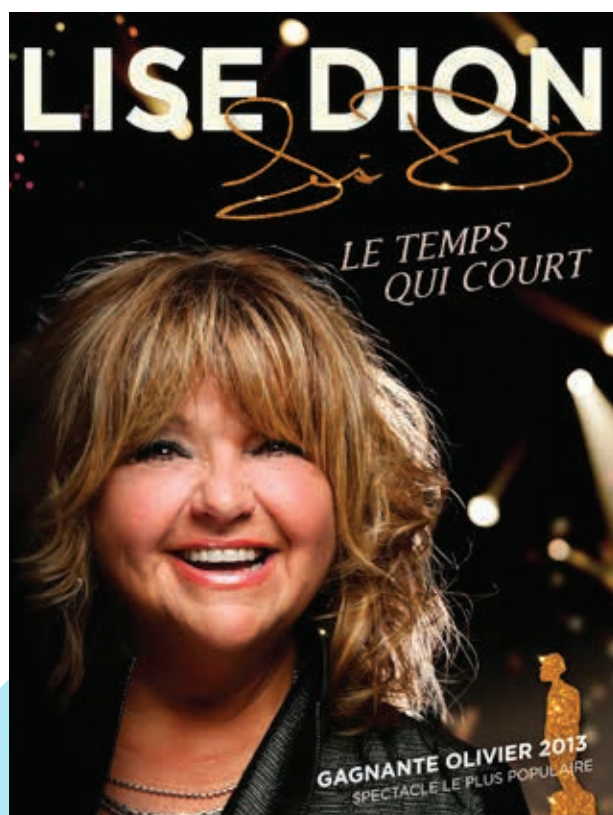
Les rénos d'Hugo

TVA FILMS

In 2015, TVA Films remained a key player in the distribution of Québec productions on various platforms, including DVD, download services, video on demand, over-the-top streaming services, conventional television (specialty channels and pay TV) and theatrical releases.

TVA Films is proud to have helped disseminate the work of comics Louis-José Houde, Lise Dion, Jean-Marc Parent, Laurent Paquin and André Sauv , as well as dramatic and comedy series such as *Les beaux malaises*, *Au secours de B atrice*, *Yamaska*, *Complexe G* and *Les jeunes loups*.

TVA Films' excellent performance was due in large part to strong sales of a number of titles on DVD, online download services and video on demand, including *Les beaux malaises* and *L' v nement JMP 2008-2010*.



MELS

At the turning of the year, TVA Group acquired substantially all the assets of Global Vision. In 2015, TVA Group modernized the brand image of its film and audiovisual production services by choosing a name that already enjoys a firmly established reputation in the industry: MELS.

MELS is the largest film and television-related services provider in Canada. Its assets are unsurpassed in North America: 18 world-class soundstages with a total area of 350,000 square feet, technologies to support the most ambitious projects, and employees who are recognized for their professionalism.

MELS has been involved in a number of major projects, such as filming the next instalment in the *X Men* series, photo-realistic visual effects and post-production for the French-German-Canadian biopic *Race* (MELS' largest visual effects project to date), and visual effects and post-production for the high-profile series *Versailles*, not to mention studio filming and post-production of Denis Villeneuve's film, *The Story of your Life*, and post-production of an Adele music video directed by Qu bec filmmaker Xavier Dolan.

NEWSPAPERS

DAILIES

Le Journal de Montréal, *Le Journal de Québec* and free daily *24 heures* all had another banner year in 2015. According to the data, the three dailies had a combined weekly readership of more than 3.8 million on all platforms, underscoring their preeminent position in their markets.

The print version of *Le Journal de Montréal* is more popular than ever, boasting nearly 2.4 million weekly readers. This strong performance confirmed the soundness of the decision to allow readers to access *Le Journal de Montréal* on the platform of their choice: print, computer, smartphone or tablet. In total, the newspaper is read by nearly 3.1 million readers per week.

Le Journal de Québec reached 487,000 readers aged 12 and over per week on all platforms. No fewer than 70% of Québec City metropolitan area residents read the daily every week.

The availability of *Le Journal de Montréal* and *Le Journal de Québec* on various digital platforms helped position them as the Québec leaders in new media. Innovations included their websites, which are responsive to all devices, and the free, customizable J5 app, conceived and developed for smartphone users. The digital strategy yielded a spectacular increase in page views, mainly on mobile devices. The mobile app won two Eppy awards and a Numix award for excellence in digital media.

In December 2015, *Le Journal de Montréal* and *Le Journal de Québec* proudly announced that they had become the first French-language media outlets in Canada to publish their articles on Instant Articles, a new Facebook program for media, continuing the expansion of their social media presence.

The free daily *24 heures* had a weekly readership of almost a million on all platforms, including many in the demographics targeted by advertisers: 39% were aged under 35 and 38% were university graduates.

24 heures had a major digital facelift in June. That makeover paid off: the *24 heures* section, now hosted on the popular *Journal de Montréal* website, registered a 126% increase in unique visitors and a 48% increase in time spent on the site compared with the previous year.

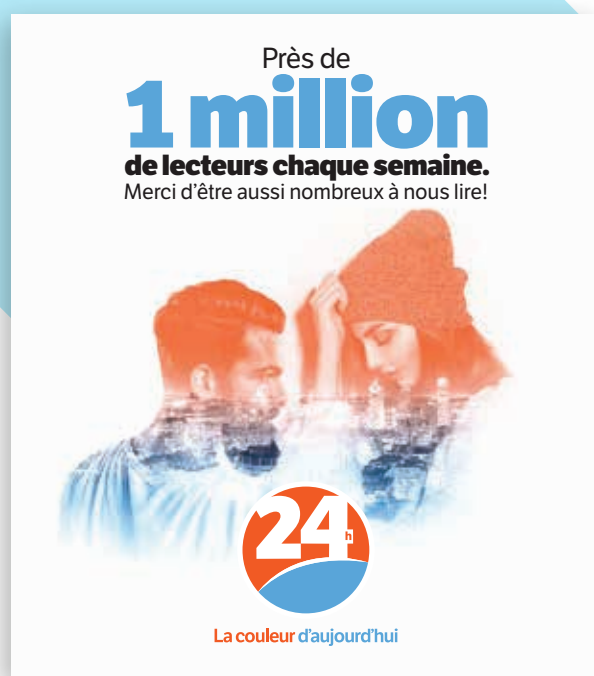
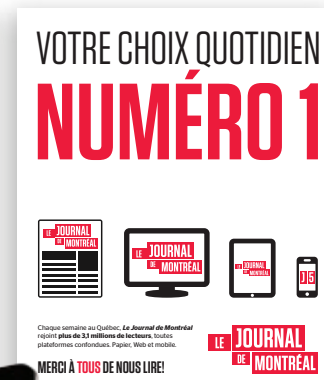


MESSAGERIES DYNAMIQUES

In 2015, Messageries Dynamiques became an invaluable Québec business partner for all publishers of French-language magazines after signing an agreement with international press distributor LMPI at the end of 2014. During the year, several major publishers entrusted their titles to Messageries Dynamiques, including *Ricardo*, *Trois fois par jour*, *VÉRO* and European publisher Mondadori (Science & Vie).

In August 2015, Messageries Dynamiques obtained exclusive access to 77 Walmart stores, located primarily in Québec and the Maritime provinces, for its two main dailies, *Le Journal de Montréal* and *Le Journal de Québec*. It also developed its relationship with some newspaper publishers, notably *The Globe and Mail* and the *Montreal Gazette*.

More than 50 years after it was founded, Messageries Dynamiques remains the leader in its line of business and continues to offer top-notch service. Every day, for 361 days per year, the Québec distribution giant's drivers travel more than 22,000 kilometres to distribute 800 titles, including 6 major dailies, to slightly more than 7,000 points of sale and more than 4,000 restaurants.

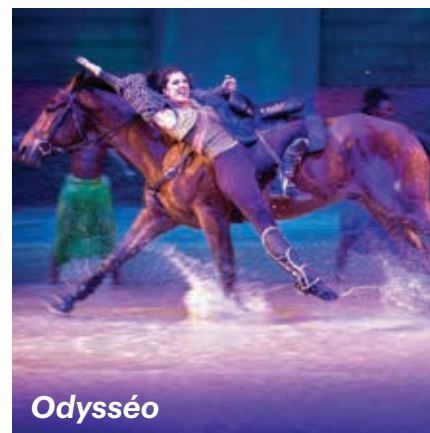


QMI AGENCY

Supported by well-established media outlets that are dominant in their markets, QMI Agency continued providing quality news coverage throughout 2015.

A trusted media source for all categories of information, QMI Agency, founded in 2014, provides its clients with value-added services.

The same can be said of the Investigative Bureau, created in 2013. Its patient, painstaking work yielded in-depth exclusive (in 99% of the cases) reports on a wide range of important topics, such as the recruitment of young Quebecers by ISIS, the theft of sensitive documents from a high-ranking Montréal police officer's car and the discovery of a PCB-contaminated site in suburban Montréal. In all, dozens of investigative reports were produced for Québec readers.



OUT OF HOME

With its strong presence in the public space in Montréal, Laval and Lévis, where it has nearly 3,500 advertising faces, Quebecor Media Out of Home has become a key partner for advertisers, reaching 93% of the population of the Montréal metropolitan area each week.

Quebecor Media Out of Home has also become a creative player in urban furniture, thanks to its digital bus shelters. Their 82 interactive faces reach 1.9 million pedestrians and motorists per week.

After its success with Société de transport de Montréal bus shelters, Quebecor Media was chosen in 2014 to administer advertising and manage Société de transport de Laval bus shelters and, as of January 2015, Société de transport de Lévis bus shelters and buses.

Gesture-recognition technologies enable passersby to interact with the displayed content and access news from the LCN channel.

MAGAZINES

In October 2015, TVA Publications and Les Publications Charron & Cie proudly announced that they had become Canada's magazine industry leaders, publishing more than 50 titles per year that are read by more than 9 million readers across all platforms.

With 3.2 million multiplatform readers for its French-language titles and more than 8.1 million for its English-language titles, TVA Group's Magazine division has a stronger-than-ever relationship with consumers from coast to coast who appreciate its various publications.

2015 was a landmark year for the Magazine division, with TVA Group closing the acquisition of 14 magazines, 3 websites and custom publishing contracts from Transcontinental. The acquired mastheads include some of the most popular magazine titles in Canada: *Coup de pousse*, *Canadian Living*, *Style at Home*, *The Hockey News*, *ELLE Canada*, *ELLE Québec* (TVA Group holds an effective 51% interest in the publisher of *ELLE Canada* and *ELLE Québec*, while Hearst Group holds 49%), *Le Bel Âge* and *Good Times* (TVA Group and Groupe Bayard each own 50% of Publications Senior inc., which publishes *Le Bel Âge* and *Good Times*). The transaction was in line with the Magazine division's strategy to consolidate its leading position in the magazine industry and to provide advertisers with personalized, varied services that meet their needs.

TVA Group's Magazine division was in the spotlight in 2015, earning numerous awards and distinctions for its people's creativity and their ability to reach their readership on multiple platforms.

The award-winning publications included:

- › *Canadian Living*
- › *ELLE Canada*
- › *ELLE Québec*
- › *Clin d'œil*
- › *Style at Home*
- › *7 Jours*
- › *Les idées de ma maison*



The Magazine division pressed ahead with its strategic plan to strengthen its position and better meet the needs of its readers and advertisers. To maintain its market position, it discontinued publication of some magazines.

That strategy gave stronger support to the flagship titles of TVA Publications and Les Publications Charron & Cie, such as *7 Jours*, *La Semaine*, *TV Hebdo*, *CHEZ SOI*, *Coup de pousse*, *Les idées de ma maison*, *Canadian Living*, *ELLE Canada*, *ELLE Québec*, *Clin d'œil*, *Style at Home* and *The Hockey News Magazine*, enabling them to grow and thrive in their respective markets. This move will also help advertisers better target their audiences and achieve their business objectives by capitalizing on a portfolio of more than 50 titles.

Finally, the Magazine division was a major player in custom content and publishing. For example, *Cellier* and *Tchin Tchin* (published by the Société des alcools du Québec), the Montréal Impact's magazine, *CAA Touring*, *Présent* (published by the National Bank), and the quarterly *Inuit* (published by Air Inuit), all relied on the pertinent expertise offered by TVA Publications and Les Publications Charron & Cie.

BOOKS

GROUPE LIBREX INC.

Groupe Librex strengthened its publishing program in its four main literary genres: fiction; biography and true stories; travel; and practical guides and reference books on health and well-being.

For the second year in a row, Les Éditions Libre Expression was the publisher of the best-selling biography in Québec, *Le monstre* by Ingrid Falaise, while *Ensemble pour toujours* by Denis Monette was number 4 in the same category. The eagerly awaited biography *Buena Vida* by Florence K was also a winner with readers. *Journal d'un disparu*, the first novel by singer-songwriter Maxime Landry, and *Petite mort à Venise*, the fourteenth book by author and actor Francine Ruel, were among the top 10 Québec novels of the year. Several big-name writers published new novels during the year, including *Ma vie est entre tes mains* by Suzanne Aubry, which will also be published in France by Robert Laffont, and the latest instalment in the series *La vie sucrée* de Juliette Gagnon by Nathalie Roy, whose series *La vie épicée de Charlotte Lavigne* is published in France by Pocket. Journalist, author and TVA anchor Michel Jean published his fifth novel, *La belle mélancolie*.

Éditions internationales Alain Stanké published poet and slammer David Goudreault, whose first novel, *La bête à sa mère*, attracted considerable attention and was short-listed for the 2016 Grand prix littéraire Archambault.

Éditions La Semaine published the top-selling book in Québec in 2015, *Famille futée 2* by well-known broadcaster Alexandra Diaz and respected nutritionist Geneviève O'Gleman. This collection of original, easy and tasty recipes, all for less than \$5 per serving, is a must for families who care about healthy eating.

GROUPE HOMME

Les Éditions de l'Homme continued its collaboration with major museums in 2015, releasing *AIR – Territoire et peuplement*, the first volume in the "Archéologie du Québec" collection (Pointe-à-Callière Museum), and *Dans l'œil de Vittorio* (McCord Museum).

The success of *300 raisons d'aimer New York* by Marie-Joëlle Parent sparked the development of a travel guide series, soon to be expanded with the addition of new titles on trendy destinations.

Sexologist Jocelyne Robert made a leap into fiction with her first novel, *Mensonges d'enfance*, the first part of the *Gwendoline Dernière* trilogy. Loyal followers of novelist Chrystine Brouillet were treated to the latest adventures of Louise in *La mort mène le bal*.

Les Éditions de l'Homme also published a number of essays, such as *Prendre la parole* by Jean-Luc Mongrain and *#Bitch* by Jasmin Roy. The publishing house scored successes with *La santé repensée* by Dr. Gaétan Brouillard, and *L'art de se réinventer* by Nicole Bordeleau, both of whom received much media coverage.



It was a satisfying year for foodies: the crop of cookbooks included *La cuisine d'Helena*, the first collection of recipes from Montréal chef Helena Loureiro. Les Éditions de l'Homme was particularly proud that its *Boulangerie et boustifaille – 75 recettes pour faire la fête autour du pain* was nominated for a Taste Canada award.

More than 30,000 copies of titles in the "Raconte-moi" collection for children, published by Les Éditions Petit Homme, were sold in 2015. The series of biographies of public figures helps school-age children discover unique, inspirational lives.



LE GROUPE VILLE-MARIE LITTÉRATURE INC.

In 2015, VLB éditeur was true to its literary and cultural mission, publishing books such as *Lettres à une jeune cinéaste* by Micheline Lanctôt, Claude Cardinal's monumental *Histoire du RIN*, and Claudia Larochelle's *Je veux une maison faite de sorties de secours*, a collection of the thoughts and recollections of friends and contemporaries of Nelly Arcan about her life and work. In the fiction department, Ablah Farhoud revisited the province of childhood in *Toutes celles que j'étais*, Mylène Gilbert Dumas released *Sur la glace du fleuve*, the second volume of her opus *Une deuxième vie*, and Jennifer Tremblay produced the acclaimed novel *Blues nègre dans une chambre rose*.

In poetry, Les Éditions de l'Hexagone published the strong new voices of Chloé Savoie-Bernard and Samuel Mercier, as well as a major work by one of its veteran writers, Fernand Ouellette: *Avancées vers l'invisible*. It also came out with a new, large-format edition of the final text of *L'homme rapaillé* by Gaston Miron, and an impressive, meticulously annotated collection of his letters, *Lettres, 1949-1965* (edited by Mariloue Sainte-Marie). Finally, *Le Pigeon*, a new French-language literary magazine, received an enthusiastic reception on both sides of the Atlantic. The first two issues spotlighted Dany Laferrière and Jérôme Ferrari.

Les Éditions de La Bagnole continued publishing elegant, intelligent books that



charm children, such as *Pikiq* by Yayo, *Hochelaga mon quartier*, a collection of poems by schoolchildren illustrated by Rogé, and two new volumes in Caroline Héroux's ever-popular *Défense d'entrer* series.

Finally, Les Éditions du Journal, a publishing house dedicated to bringing content from *Le Journal de Montréal* to a new format and new audiences, was created in 2015. The success of its first releases, *Gallant – Confessions d'un tueur à gages* by Éric Thibault and Félix Séguin, and *Nouvelle-France – ce qu'on aurait dû vous enseigner* by Gilles Proulx, bodes well for the future.

Authors published by Groupe Ville-Marie Littérature won nine prestigious literary awards in 2015.

CEC PUBLISHING INC.

Committed to providing Québec and Ontario educators with practical, innovative solutions in line with the recent shift to digital in schools, at year-end, CEC Publishing had a catalogue of more than 34,000 interactive exercises in math, French, English, science and history for the elementary and high school level students.

CEC Publishing maintained its leading role in digital scholastic publishing by launching new *Classe branchée* collections for elementary and high school students. Now totalling 20, the collections are distinct in offering students online interactive exercises.

CEC Publishing now proudly offers 46 works of French and Québec literature, accompanied by guides developed entirely Québec, in its *Grands textes* collection for junior colleges.



MESSAGERIES A.D.P. INC.

Messageries ADP posted a dynamic performance in 2015 with sales of nearly 6.4 million copies of nearly 50,000 titles (novels, cookbooks, graphic novels, schoolbooks). It buttressed its position as Canada's largest distributor of French-language books by adding 7 publishing houses to its stable, including *Coup de pouce*, and offering an ebook catalogue containing more than 21,700 titles.

Building on its 2014 success, *La Journée* ADP exceeded expectations in 2015. The not-to-be-missed event was attended by more than 400 Québec book industry professionals: booksellers, librarians, publishers, retailers. Messageries ADP also maintained its close relationships with customers and readers by participating in a number of educational conferences and every book fair held in Québec.



MUSIC

MUSICOR

In 2015, Musicor continued on its forward path and strengthened its position as one of the largest players in the industry. It released six albums, two of which – Brigitte Boisjoli's *Hommage à Patsy Cline* and *Forever Gentlemen*, featuring Roch Voisine, Garou and Corneille – were certified Gold.

Musicor's other releases included *Debout dans l'ombre*, the first solo album from Rémi Chassé, a finalist in the 2014 season of *La Voix*, the albums *PAG revisité*, featuring new artists, *Nuit de Noël* from Michaël, *Lambert dans ses bottines* from Yves Lambert and Socalled, and the DVD *Maternité santé* from Josée Lavigueur.

The Ste-4 Musique label for emerging artists, celebrated its third birthday in 2015. It continued promoting Joseph Edgar's album *Gazebo*, which was nominated for an ADISQ award, and Caravane's *Chien noir*, also nominated for an ADISQ award. For *Chien noir*, Ste-4 Musique produced an acoustic mini-album that sold well.

Musicor Spectacles started the year with a bang by producing Loto-Québec's Célébration 2015 gala. It also continued promoting Véronic DiCaire's successful *La voix des autres* Québec tour, which played 33 highly successful dates.

Musicor Spectacles is proud to have presented seven productions with a total of 109 theatrical dates at festivals and corporate events. It closed the year with the *Noël à deux* concert by Marie-Eve Janvier and Jean-François Breau, which turned out to be a big draw for the third consecutive year. Artists such as Étienne Drapeau and Joseph Edgar also entrusted the production of their concerts to Musicor Spectacles. Finally, Musicor Spectacles signed representation and promotion agreements with Rémi Chassé, Caravane, Charles Dubé, Julie Lamontagne and Mentana.

DISTRIBUTION SELECT

Distribution Select held onto its position as Canada's largest independent distributor with 56% of the market for French-language music in Québec and 19% of all music sales in Québec. With a catalogue of more than 8,300 audio and 1,640 video titles, Distribution Select is a vital industry player and a powerful promoter of Québec music.

In 2015, Distribution Select signed agreements with no fewer than 30 new labels and producers from around the world. It released 1,050 new audio and 199 video titles. The new releases included Adele's phenomenally successful album 25, which broke several sales records in just a few weeks at the end of the year.

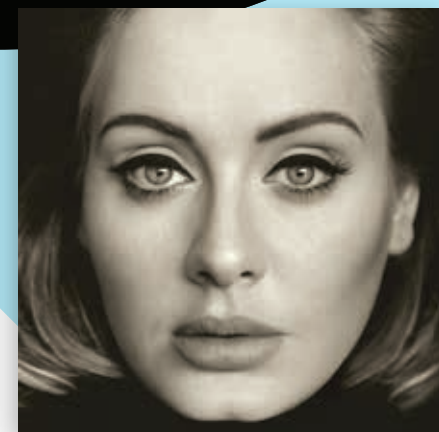
In an indication of the musical diversity of Distribution Select's offerings, its artists, producers and technicians left the 2015 ADISQ awards ceremony with 26 trophies. The winners included Marie-Pierre Arthur, Angèle Dubeau, Jean Leloup, Maxime Landry, Ariane

Moffatt and Pierre Lapointe. Not surprisingly, 10 of the 13 Gold and Platinum Album certifications issued by Music Canada for French-language releases in 2015 went to members of the Distribution Select family, including Isabelle Boulay, Paul Daraïche, Jean Leloup, Mario Pelchat and Yoan, to name just a few.

Distribution Select also continued developing non-traditional audio and video markets by becoming the official distributor of music and DVDs to the Giant Tiger chain, thereby adding 200 points of sale across Canada to its network, including more than 50 in Québec. On the digital front, Distribution Select signed an agreement with the Merlin agency to help expand its digital distribution network.



Forever Gentlemen





QUEBECOR CONTENT

CONTENT

Quebecor Content serves as a content expert for TVA Network, its specialty channels, illico and Club illico. It operates in the three following industry segment: Brands & Original Productions, Canadian & Foreign Content Acquisitions, and International Creation & Development.

Quebecor Content is committed to promoting homegrown talent. Quebec abounds with creative cultural workers who ask only for exposure, and Quebecor is proud of its role as a leader in creation, innovation and the export of distinctive, high-quality content.

As an expert in all genres and a partner of Québec producers, Quebecor Content aims to offer Quebecers the best content, such as *Pour Sarah*, *Boomerang*, *Blue Moon*, *Le Tricheur*, *Karl & Max* and *Les rénos d'Hugo*.

2015 was a productive year for Quebecor Content, which reaffirmed its place on international markets with the signing of a number of major agreements. They include a three-year deal with Warner, which provides TVA Network with first broadcast rights to all their films and Club illico with a selection of their new releases, and a three-year strategic agreement with NBCUniversal, which gives Quebecor right of first refusal to their television series and all-platform access to their movies, as well as right of first refusal to sports programming for TVA Sports.

Quebecor Content also acquired some of the best available foreign titles for all of the group's platforms, including the *Limitless* series for TVA, *Heroes Reborn* and *Legends of Tomorrow* for Club illico, *Blindspot* and *Mr. Robot* for addikTV, *Home Free* and *Master Chef Junior* for CASA, *Diet Wars* and *Food Fighters* for MOI&Cie, and *Dino Dana* and *Miss Moon* for Yoopa.

Quebecor Content also reaffirmed its presence on the world stage by attending the largest international content markets, including MIPTV, MIPCOM, L.A. Screenings, the Kidscreen Summit and the Realscreen Summit.

Quebecor Content stepped up the development of world-class formats with the support of its development teams and its creative alliances with major international players, including NBCUniversal, Armoza Formats, TF1 Production and Kabo.

Formats such as *Faites comme chez vous* and *La relève* joined *Sur invitation seulement* and *Le Tricheur* on the list of properties sold and distributed abroad. Projects involving *Sur la route* and *Freeze* are currently being finalized with Armoza Formats and NBCUniversal respectively.

Quebecor Content also obtained international distribution rights to *Les 400 coups*, *Vol 920* and *Karl & Max*. *Vol 920*, owned by Productions J and produced in Québec by Productions Déferlantes, is being adapted in Italy by Magnolia for the Italia 1 channel. This is the second format Quebecor Content has sold abroad after *Un sur 2*, which has been adapted in Poland.

In collaboration with C2 Montréal, Quebecor Content organized *P.I.T.C.H.*, Québec's first TV format competition. 135 entrants submitted 220 format projects to the international jury.



SPORTS AND ENTERTAINMENT GROUP

VIDEOTRON CENTRE

The Videotron Centre was official inaugurated on September 8, 2015 and opened its doors to a full house of 18,250 spectators on September 12, 2015. Memorable highlights of the action-packed evening included a Remparts de Québec game and lavish outdoor festivities. Prominent athletes, entertainers and political figures walked down the yellow carpet. Construction of the state-of-the-art facility began in September 2012 and was completed, on schedule and within budget, in September 2015.

Metallica played the first show at the new venue on September 16, performing on the central stage to a sell-out crowd. Between September and December, the Videotron Centre hosted eight concerts with more than 88% total occupancy, two professional sports events and more than 20 Remparts de Québec games.

Quebecor Media also announced an 8-year strategic partnership agreement with AEG Facilities, the world leader in sports and entertainment venue management. The AEG Live division will work with the Sports and Entertainment Group on booking events, shows and tours for the Videotron Centre.

The Videotron Centre has already established a strong reputation despite its tender age. It has received a number of distinctions since it opened, including a nomination in the Best New Major Concert Venue category at the 27th annual Pollstar Awards, inclusion on the British magazine *Stadia's* list of the top new sports facilities in the world in 2015, the people's choice award at Québec City's *Mérites de l'Architecture 2015* awards, and the Performance of the Year award for guided tours organized by Québec City.

In addition, the British magazine *PanStadia & Arena Management* devoted three pages to the Videotron Centre under the heading "The Best of 2015." *Venues Today* magazine published a 10-page cover story on the Videotron Centre in its September issue and *Professional Sound* praised its outstanding acoustics.



Metallica



Madonna



Official opening of the Videotron Centre



UCI Mountain
Bike World Cup

EVENT MANAGEMENT

2015 will go down as a red-letter year for sporting and cultural events organized by the Gestev team.

Sports fans flocked to witness thrilling performances at events such as the FIS Snowboard World Cup, the UCI Mountain Bike World Cup, the Coupe Banque Nationale tennis tournament, the 10th edition of the famous Red Bull Crashed Ice race in Québec City, now considered a landmark event on the Ice Cross Downhill World Championship circuit, and the Red Bull Soapbox Race in downtown Montréal.

Gestev also organized close to 20 cultural and entertainment events in Québec, either in conjunction with sporting events or with events at the Baie de Beauport beach, which it continues to manage. As in the previous year, it was very active in managing sponsorships, media relations and marketing, in particular for Videotron and Desjardins.

The creativity, dynamism and professionalism of Gestev's people were recognized again this year by a couple of notable awards: the *Prix distinction* awarded by the Fédération québécoise des sports cyclistes for the 2015 Vélirium; and the Recyc-Québec award in the waste materials category at the *Les Vivats 2015* –



FIS Snowboard
World Cup



Red Bull
Soapbox Race

Les prix Loto-Québec pour les événements écoresponsables ceremony organized by the Conseil québécois des événements écoresponsables in recognition of its organization of the 2014 UCI Mountain Bike World Cup.

HOCKEY

Hockey is embedded in our national identity, part of our DNA. Quebecor is proud to be the co-owner of two QMJHL teams, the Armada de Blainville-Boisbriand and, since November 2014, the Remparts de Québec.

2015 was a year of new beginnings as the Remparts de Québec took up residence in their new home, the Videotron Centre. Fan response was positive: average attendance increased from 9,698 in the 2014-2015 season to 13,635 in the first part of the 2015-2016 season.

The Remparts ended the 2014-2015 regular season fourth in the league and second in the East division. They were defeated by the Océanic de Rimouski in the President's Cup finals and by the Kelowna Rockets in the Memorial Cup semi-finals. In 2015, the Remparts also played host to the Memorial Cup, the coveted trophy awarded each year to the best junior hockey team in the Canadian Hockey League.

The Armada de Blainville-Boisbriand also had an excellent season in 2014-2015, finishing third in the league and first in the West division. The team lost to the Olympiques de Gatineau in the first round of the playoffs. It drew an average of 2,676 spectators per game.

The Armada de Blainville-Boisbriand was named small or medium-sized business of the year by the Chambre de commerce et d'industrie Thérèse-De Blainville at the 2015 Gala Stellar.

As for major league hockey, on July 20, 2015, Quebecor officially filed an application under the NHL expansion process for a franchise for a professional hockey team in Québec City. Subsequently, Quebecor senior management presented the Corporation's franchise bid to the NHL Executive Committee meeting in New York City.



The Armada de Blainville-Boisbriand team



The Remparts de Québec team



CORPORATE SOCIAL RESPONSIBILITY



OUR EMPLOYEES

In 2015, Quebecor's corporate culture evolved in an even bolder direction. Quebecor's management practices were modified to increase the Corporation's agility, align team objectives with business priorities and motivate its approximately 10,300 employees. When it comes to agility, Quebecor is constantly seeking the right balance between sound governance and administrative streamlining so that each of its actions helps create value for customers. When it comes to clear alignment, Quebecor sets precise objectives while embracing a flexible approach that encourages innovation, empowerment and superior performance. Finally, when it comes to motivation, Quebecor encourages high-potential employees and makes sure each position is occupied by the most competent person. An inter-subsidary collaborative approach promotes knowledge-sharing and teamwork, while opening up internal career opportunities.

In 2015, in keeping with the latest trends, Quebecor introduced a new performance management approach, whose salient features are simplicity and continuous feedback between manager and employee.

Quebecor also took a series of initiatives to strengthen its business segments. For example:

Media Group

- › Integration of MELS and magazines acquired from Transcontinental.
- › Renewal of 11 labour contracts.

Telecom Group

- › Renewal of a labour contract with one of Videotron's unions. The new 5-year contract facilitates cost-control and allows for greater operational flexibility.

Sports and Entertainment Group

- › Integration of groups from the different business units (GesteV, Remparts de Québec, Armada de Blainville-Boisbriand).
- › Successful opening of the Videotron Centre thanks to the contributions of all of Quebecor's segments.

IN 2015 QUEBECOR UPDATED ITS ORGANIZATIONAL VALUES AND CONVERTED THEM INTO KEY BEHAVIOURS:

- › PERFORMANCE
- › INNOVATION/CREATIVITY
- › CUSTOMER FOCUS
- › AGILITY
- › TEAMWORK

THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

In 2015, Quebecor pursued its efforts to support environmental sustainability. To do so, it not only continued reducing the environmental impact of its operations but also encouraged its customers, suppliers and the general public to change their daily habits.

Quebecor's environmental strategy hinges on the commitment of each of its employees. The Corporation therefore promoted sustainable mobility among its personnel through the *OPUS+ Entreprise* program, which supports public transit, and the *BIXI Corporate program*, which encourages employees to cycle.

In the same vein, five years ago, Quebecor set up a team of green ambassadors to educate their colleagues about Quebecor's environmental programs and encourage environmentally responsible practices within the Corporation.

FIGHTING CLIMATE CHANGE

Quebecor recognizes the importance of issues related to climate change and strives to improve the energy efficiency of its activities. To reduce its greenhouse gas (GHG) emissions and its carbon footprint, it has introduced an energy efficiency program based on the ISO 50001 standard. A committee and a five-year action plan have been created to support the implementation of GHG-reduction measures and the sharing of best practices across all Quebecor subsidiaries.

RESPONSIBLE PROCUREMENT

On a related point, responsible procurement incorporates environmental and social considerations into the goods and services purchasing process. The aim is to reduce environmental impacts, increase social benefits and enhance economic sustainability throughout the product life cycle. At Quebecor, it means printing all black-and-white books on recycled paper containing 100% post-consumer fibres, printing 90% of its magazines on paper that is Forest Stewardship Council® certified (FSC®) (FSC® C111719) and including environmental criteria in calls for tenders.

THE ART OF RECYCLING

Quebecor made major efforts to reduce the volume of waste it sends to landfill sites. Here are a few examples.

- Over the years, Videotron has helped develop a market for the reuse of electronic products discarded as a result of network maintenance and upgrades. The Service d'intégration au travail (SIT) Mauricie has been associated with Videotron's 2^e Vie project from the outset. It receives electronic equipment from Videotron, sorts it, and determines which items should be repaired, reused or reclaimed. In addition to extending the lifespan of 250 tonnes of electronic products in 2015, the program helped more than 80 persons with mental health challenges enter the job market. In 2015, the program generated more than \$2 million in savings and was a finalist for the *Prix Novae de l'Entreprise citoyenne*.
- Since 2009, Videotron has been encouraging consumers to discard their old cell phones at Videotron and Le SuperClub Videotron locations. Since 2013, all electronic devices and accessories sold by Quebecor subsidiaries have been accepted at the more than 200 accessible collection points. The program provides an alternative to landfill sites, gives many devices a second life and offers Quebecers another recycling option.

- Finally, as a result of Gestev's efforts to support sustainable development, three of the events it organized in 2015 were classified level 2 under the BNQ 9700-253 standard for responsible event management: the Snowboard Jamboree, Vélirium and Red Bull Crashed Ice.



PARTNERSHIPS FOR THE ENVIRONMENT

Quebecor was a partner in Équiterre's *Rendez-vous branchés* and *Transportation Cocktail* campaigns, which aim to raise public awareness of the benefits of green transit. In partnership with Jour de la Terre Québec, four Montréal-area elementary schools were given grants to green their schoolyards.

In another forward-looking move, Quebecor will give financial support to Jour de la Terre Québec as an official partner of the 375,000 Trees program and will mount a large-scale promotional campaign in its media outlets through 2017.



PARTNERING WITH THE COMMUNITY

Philanthropy has always been in Quebecor's genes. Quebecor is known as a business that is deeply engaged with the community and firmly attached to its roots. The Corporation's philanthropic activities address multiple areas, including community services, education, health, the environment and entrepreneurship. In 2015, it provided support totalling nearly \$43 million to a total of approximately 400 organizations.

However, Quebecor has chosen to focus on Québec culture in particular and more than half of its contributions are allocated to this area.

BRINGING MOVIE HISTORY TO THE PUBLIC

Éléphant: The Memory of Québec Cinema (Éléphant), a project developed and funded by Quebecor, is the Corporation's largest philanthropic endeavour. Quebecor has invested more than \$24 million in *Éléphant* since it was created in 2007. The project's purpose is to restore, digitize in HD and make accessible all the movies in Québec's cinematic heritage. To date, more than 200 films have been restored and made available on illico and iTunes. The *Éléphant* website contains the largest existing database and information bank on Québec cinema.

Increasingly, *Éléphant* is making its mark on the international scene. For the second consecutive year, movies restored by *Éléphant* were screened at Cannes Classics in May and at the Lumière Film Festival in Lyon in mid-October. In the wake of those festivals, films restored by *Éléphant* were also presented at the Doclisboa International Film Festival in Portugal, the Karlovy Vary International Film Festival in the Czech Republic and the Golden Horse Film Festival in Taipei.

Éléphant is a philanthropic project. With the exception of a small amount to cover a modest portion of the platform's operating costs, all revenues from broadcasts of the films go to the rights-holders and filmmakers.

To celebrate the artistic genius of the giants of cinema, Quebecor also organized *Éléphant ClassiQ*, a four-day festival that presented digitized and restored classic films from around the world on the big screen. The event, the only one of its kind in Canada, highlighted French-language cinema with a selection of restored films from France, Belgium, Switzerland, Africa and Québec.



ENCOURAGING EMERGING ARTISTS AND CULTURAL DIVERSITY

Throughout the year, Quebecor remained true to its commitment to the young artists who will shape the cultural richness of tomorrow. Among other things, it supported the Camp chanson Québecor de Petite-Vallée, which offers introductory and training workshops for children to help groom the next generation of musicians, as well as workshops for adults. This unique organization is Québec's first music camp specializing in song.

For several years, Quebecor has also supported Québec City's Premier Acte theatre, which is dedicated to mounting plays by next-generation artists and troupes. As well, Quebecor helped build a cultural centre for Le Salésien high school in Sherbrooke, Québec, which has been named the Centre Québecor in recognition of the Corporation's contribution. It will host the school's cultural activities and will also be available to the entire community. In addition, it will be used by the Orchestre symphonique de Sherbrooke as a rehearsal space, and will house the orchestra's administrative offices.

First Nations are an integral part of Québec's culture. Quebecor therefore made a point of exploring and celebrating the richness and diversity of Aboriginal culture and bringing it to a wider audience by supporting the Montréal First Peoples Festival, an event that showcases First Nations artists, filmmakers, storytellers and dancers.



COMMITTED TO HELPING THE MOST VULNERABLE

Quebecor has always lent a helping hand to the most vulnerable members of our society, such as the homeless and people with drug addictions. In 2015, Quebecor continued its decades-long support of Le Chaînon, a Montréal shelter for women in difficulty, and the Québec City YWCA. The Old Brewery Mission and Accueil Bonneau, two shelters for homeless and at-risk men, also received backing from Quebecor. The Corporation is also a loyal supporter of Fondation Jean-Neveu, a non-profit organization that works with people with drug or alcohol abuse problems and operates Pavillon Pierre-Péladeau and Maison Raymonde-Chopin-Péladeau.

Quebecor is also proud to encourage intergenerational cooperation through the *Un vélo, une ville* program, a citizen initiative that helps young people return to and stay in school and reduces the isolation of seniors. The program, which is free, thanks to partners like Québecor, offers recreational tourism outings in pedicabs driven by young people. It gives the youths a paid summer job and a scholarship at the end of the season, and it gives seniors living alone a chance to get out of the house and do their shopping.

YOUTH AND SPORT: TWO CAUSES QUEBECOR CARES ABOUT

For young people, everything is possible. Quebecor is committed to helping them make the possible a reality. In 2015, the following organizations received assistance from Quebecor: Canadian Tire Québec's Jumpstart program, which supports the development of underprivileged children by giving them a chance to go to summer camp; the Fondation Art-Études; and the Fondation maman Dion, which provide children with the school supplies, eyeglasses and clothes they need for school. Quebecor believes these organizations help instill a sense of pride and self-confidence that will stay with the children throughout their lives.

Because Quebecor knows physical activity is vital for a healthy society, it promotes sport and healthy lifestyles. In 2015, it partnered with the Grand Prix Cycliste de Saguenay, a cycling race with both a pro and a general public component, and also supported all segments of the Grand défi Pierre Lavoie, a non-profit organization that encourages young people to adopt healthy habits by organizing walking, running and cycling events.



Grand Prix Cycliste de Saguenay

RECIPIENTS OF THE 2015 PIERRE PÉLADEAU BURSARIES

Quebecor believes strongly in the importance of encouraging entrepreneurship and is well aware of the challenges of starting a business. Through the Pierre Péladeau Bursaries, Quebecor gives valuable financial support to the recipients and also lends their future businesses greater credibility. The Pierre Péladeau Bursaries were founded in 1999 to help students start up a business. Students at all Québec universities are eligible. In 2015, Quebecor again distributed \$100,000 to budding entrepreneurs.



First Prize :

Marie-Pier Corbeil and David Corbeil, Recharge Véhicule Électrique (RVE), with Pierre Dion and The Right Honourable Brian Mulroney

Second Prize :

Étienne Crevier,
Matthew Starek and
Michel Cameron, BIOGENIQ

Third Prize :

Simon Laurendeau,
Léandre Gagné Lemieux,
Maxime Provencher and
Mathieu Germain Robitaille,
SCIENCEPERFO

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² Member of the Human Resources and Corporate Governance Committee

* As of May 12, 2016

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* As of May 12, 2016