



Speaking notes for Pierre Karl Péladeau
President and CEO of Quebecor

Annual General Meeting
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Thank you Mr. Mulroney,

Good morning ladies and gentlemen,

It is a great pleasure for me to be back here today and to take the floor again at an Annual General Meeting as President and CEO of Quebecor, the company founded by my father, Pierre Péladeau. Since I returned on February 16, I have found myself back at a company I love and of which I am immensely proud. It has been like coming home.

Before going further, I too would like to take a minute to thank Pierre Dion from the bottom of my heart for serving as President and CEO for nearly three years and I thank the entire Management Committee for their dedication and impressive agility. Pierre stayed the course with the strategic plan we developed when Quebecor Media was created. That strategy is based on convergence of content and convergence of distribution platforms, which as we know have proliferated in the last 15 years. Pierre, your presence on the Corporation's boards of directors, your participation in the various management committees and the strategic assignments you have accepted make Quebecor that much stronger.

Quebecor has continued developing in recent years and has seen sustained growth. 2016 was no exception, with the Corporation posting an excellent financial performance.

Achieving our strategic objectives enabled us to further solidify our financial structure. As our CFO Jean-François Pruneau will tell you in greater detail in a few minutes, our balance sheet, operating income and cash flows are all in very good shape now. Videotron and our Media Group held their industry-leading positions in their lines of business, thanks once again to the convergence strategy we have been pursuing for 15 years. Some people were very critical of the trend towards convergence at first but it has now become the cornerstone of all major media groups and telecoms. That strategy was also behind the creation of our Sports and Entertainment Group, which has become a frontline player in sports and entertainment in Québec.

Its success has been supported by implementation of our business plan, which is consistently focused on lines of business with strong growth potential. Innovation also remained at the centre of our efforts. We innovated in technology, content and customer experience.

Being at the cutting edge has always been part of Quebecor's DNA, starting with my father. For example, in 1962 he became the first publisher in Canada to equip his printing plants with rotary presses, which were state-of-the-art technology at the time. Similarly, Videotron was the first cable provider to introduce pick-and-pay, more than 10 years before the CRTC mandated it for the entire industry, and the first cable company in Canada to offer video on demand. More recently, we launched Club illico, developed the J5 mobile app, launched a Youtuber collective called Goji, and collaborated on original shows such as Les Beaux Malaises and Victor Lessard, which was shot entirely in 4K.

So, by harnessing the talents of its people, Quebecor has moved forward, building on its past and driven by innovation.

Let me take a few minutes to describe some of the achievements that enabled each of our business segments to perform so well.

To take the measure of our Telecommunications Group's current success, we have to look back over the road it has travelled.

In the previous decade, we could already see that our historical telecommunications business – cable television – would start to flatten out and even erode. So, in keeping with our desire to move into growth businesses with a promising future, we took the first steps towards wireless.

As we were unable to buy Fido because our debt was too high, we agreed with Rogers to lease capacity on their wireless network. We then lobbied the government to hold a spectrum auction with a set-aside for new market entrants in order to ensure real competition. We bought all the

available spectrum and finally built out our own network, which was recently named the fastest and most reliable in Québec.

So we were the first traditional cable provider to join the new generation of players in this market, which is now supporting sustained growth in our income. After only six years, we have more than 900,000 loyal subscribers to our mobile service, and that's only the beginning. We are proud to report that Videotron is the fastest-growing mobile carrier in Québec, propelling it into the ranks of the mobile telephony leaders in its service area. This new growth driver positions us even more strongly with our customers and maintains our industry-leading stature.

Another differentiator for Videotron is its ability to keep pushing the customer experience envelope. Our convergence strategy is central to Videotron's service proposition, supporting the availability of an ever-wider selection of original, distinctive content on all our platforms. That has a direct positive impact on all our services.

Club illico is a striking example. By investing in the production of Québec content, in conjunction with the talented team at Quebecor Content, Videotron has achieved remarkable success for its Club illico service. The first two seasons of the original Québec series Blue Moon, shot at our MELS studios, logged more than 4.5 million viewings. Club illico now has nearly 315,000 members, up 22% from last year, and Videotron spent almost \$14 million on content for it in 2016.

Internet access also remained an important growth driver, adding 44,600 customers in 2016.

Lastly, to stay at the technological leading edge, Videotron initiated a highly innovative project: the launch and establishment of Canada's first open-air smart-living laboratory, in partnership with Ericsson Canada, the École de technologie supérieure and the Quartier de l'innovation de Montréal. Its purpose is to field-test 5G telecommunications technologies, an emerging new industry, under real-life conditions.

As you know, Videotron has always set the bar high and has never taken anything for granted. I congratulate Manon Brouillette and her entire team for their excellent work. They are responsible

for the fact that the recently released 2017 Léger corporate reputation survey found Videotron to be Québec's most respected telecommunications company for the 12th year in a row.

Videotron Business Solutions also performed very strongly in the marketplace. We have adopted the same integration strategy for the business market as for the residential market, and it has made Videotron Business Solutions the top choice of Québec companies. In 2016, our team continued implementing its one-stop-shop strategy in order to expand Videotron Business Solutions' subscriber base and meet its customers' growing needs.

First of all, with the acquisition of Fibrenoire, a fine little business with a strong entrepreneurial spirit that provides fibre-optic connectivity services, we are able to offer more high-speed connectivity for the big business market, in which we had a smaller footprint. This also enabled Videotron to pool its resources and offer customized services tailored to all of our market segments, from the smallest to the largest businesses.

Videotron Business Solutions now has a presence in every industry, including health with Jean Coutu Group, aeronautics with CAE, video gaming with Ubisoft, and insurance with Industrial Alliance Auto and Home Insurance.

Then, after expanding the 4Degrees data centre in Québec City, Videotron opened a new purpose-built data-hosting facility that meets the highest international standards in the Technoparc Saint-Laurent in Montréal. With its interconnected ultramodern data centres in Montréal and Québec City, 4Degrees is the only provider in Québec that can offer intraprovincial redundancy, guaranteeing unrivalled security.

Combined with our business telephony, Internet access, cable television and wireless telephony services, those two acquisitions give us a full complement of services and are helping to power our growth in the business services market.

I now turn to our Media Group and let me just tip my hat to its President, Julie Tremblay.

Media Group maintained its leading position in all its lines of business. The popularity of all our products and media platforms is indicative of the quality and relevance of our content offerings.

For example, our newspapers are Québec's most-read dailies. We will never forget that Quebecor began with the launch of Le Journal de Montréal by Pierre Péladeau in 1964, which was a risky move even at the time. I would also like to mention that 2017 is the 50th anniversary of the founding of Le Journal de Québec.

TVA News and LCN are Quebecers' go-to sources for news. Historically, news has been a very important field for Quebecor. Since QMI Agency set up its Parliamentary Bureau in 2012 and its Investigative Bureau in 2013, management has continued investing to maintain our leading position.

TVA was immensely successful in the entertainment category as well, with shows such as La Voix, which attracted an average of nearly 2.6 million viewers and peak audiences of more than 3.2 million. In all, 19 TVA programs figured among the top 30 shows in Québec in 2016.

Our magazines have the largest readership in Québec and the second largest in Canada.

With the depth and breadth of our many media properties, both traditional and digital, and the synergies among them, Media Group has an unrivalled proposition for its advertisers and is very well positioned against its competitors.

To reach increasingly targeted audiences, we are constantly seeking new ways to renew our service offerings by developing value-added content and launching new distribution platforms, for the benefit of our customers.

Media Group took a number of highly successful initiatives during the past year to further increase its proximity to its audiences.

For example, TVA added the TVA.ca website and the TVA mobile app to its platforms. They give users 24-hour access to live-streaming and archived content from its network. Together, Media Group's digital sites attracted a total of 4.4 million visitors per month, reaching 94% of Québec Internet users.

QMI Agency's Parliamentary Bureau and Investigative Bureau expanded to offer readers and viewers more exclusive reports and high-quality information. I would also like to mention that our dailies have successfully transitioned to the new digital universe by offering our readers multiple web and mobile platforms. We were very pleased to see the fruits of our efforts this week when the Vividata survey numbers were released, showing that our newspapers and media properties dominate the Web in Québec, far ahead of their public and private rivals.

To satisfy young people's appetite for online content, our creative talent collective, Studios Goji, continued to expand.

And Out-of- Home continued to make its mark by adding new solutions to its portfolio, including a business partnership with Téo Taxi to manage and exploit advertising space on its electric taxicabs.

On another front, the acquisition of MELS enabled us to extend our vertical integration and diversify our revenue streams. MELS isn't just film stages! It's also a collection of highly talented professionals in visual effects, image and sound post-production, dubbing and more. In short, MELS offers a full line of services for movies, television and advertising. I congratulate MELS for its achievements and its role in many world-class productions, including of course the Denis Villeneuve film Arrival, which picked up 8 Oscars nominations including one for MELS in the Best Sound Mixing category.

In 2016, our Sports and Entertainment Group took one more step towards another goal that is close to our hearts: becoming a frontline player in showbiz and entertainment in Québec.

In its first full year of operation, the Videotron Centre welcomed more than 1.1 million visitors, 93 shows – including concerts by Céline Dion, Metallica, Bryan Adams, Pearl Jam, Justin Bieber and Rihanna – and many corporate events. Playing in their new home during the 2015-2016 season, the Québec Remparts set an all-time attendance record in the Québec Major Junior Hockey League and the entire Canadian Hockey League.

The popular arena was ranked 5th in Canada in terms of number of visitors by Pollstar and 4th on Billboard magazine's list of Top Canadian Venues by concert receipts in 2016. With a 96% visitor satisfaction rate, the Videotron Centre has become a must stop on headline world tours.

Sports and Entertainment Group has therefore become an important component of our content strategy. And to further enhance our offerings, Gestev, a recognized name in event development and organization in Québec, has been made the official imprint for all shows, tours and events produced by Quebecor.

Speaking of concerts, Musicor and Distribution Select are pressing ahead with their efforts to expand their presence in Québec's music industry. A number of new moves were announced recently. After the independent distributor DEP discontinued its operations in March, Distribution Select signed a string of agreements with big-name performing artists in Québec, including Éric Lapointe and Roch Voisine, as well as a number of music labels such as Spectra Musique, La Tribu and Dare To Care. We are very happy to be promoting so many talented Québec artists.

In conclusion, we believe the performance of all our lines of business in 2016 confirms the soundness of our business model and our investment strategies.

As you can see, Quebecor is well positioned to pursue its strategic development vision going forward. Despite the invasion of American giants since the advent of the digital revolution, Quebecor is more than holding its own in its markets. Far-reaching changes are sweeping across the landscape – digital, smart living, the Internet of Things, all manner of online content – and we will continue to be at the forefront of all these developments.

We will also continue playing a prominent and enthusiastic role in philanthropy and culture in Québec. It is a way for us to express our pride in our roots and to support the development of Québec's extraordinary potential.

Lastly, I would like to thank all those who contribute to Quebecor's success.

Teamwork, trust and loyalty are values my father, Pierre Péladeau, always held dear. Our Chairman of the Board, the Right Honourable Brian Mulroney, our Directors and the members of our Management Committees all subscribe to those values. Thanks to you, the Corporation remains focused on its mission and continues to grow.

Those loyal comrades in arms include Pierre Laurin, who is taking his leave today after serving as a director of our Corporation for 26 years. Pierre, it has been a privilege and an honour to have you at our sides since 1991. You were on the front lines during our company's development, a friend and trusted associate of my father, and I know how deeply he valued your counsel, as do I.

I would also like to say a few words about all that you have done to encourage the next generation of business people, a cause to which you have been devoted throughout your career. Among other things, I am thinking of course of the Pierre Péladeau Bursaries, for which you have chaired the jury since 1999.

Continuing my acknowledgements, I would also like to express my gratitude to our longstanding financial partner, the Caisse de dépôt et placement du Québec, and I thank all our shareholders for their trust.

We are deeply grateful to our millions of customers for their patronage, and to all our advertisers and business partners.

Last but definitely not least, I thank our 10,000 employees across Québec for their hard work, their passion, their desire to excel and their determination to make Quebecor a source of pride for all Quebecers.

Thank you all for your attention.