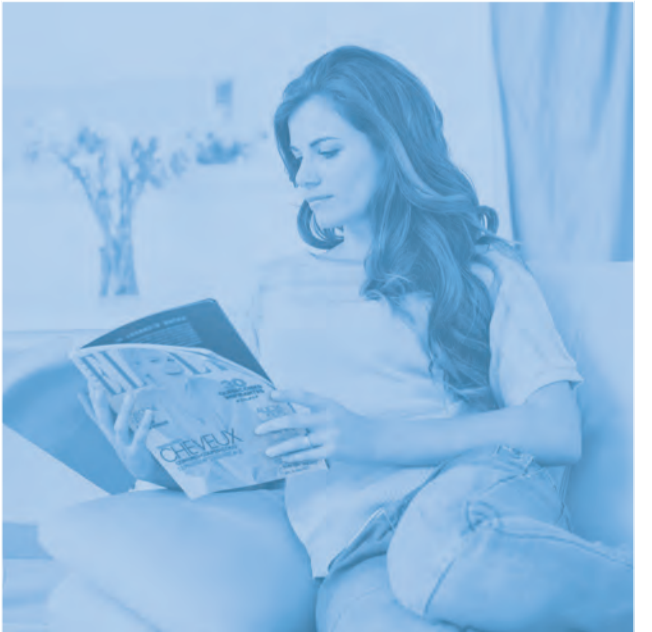




# ACTIVITY REPORT 2016

EXPERIENCE  
EXCELLENCE

**QUEBECOR**



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# 2016 IN BRIEF



## JANUARY

- ▶ Quebecor Media Group Out of Home becomes the exclusive business partner of Taxelco (operator of the Téo Taxi electric taxicab service) for advertising and sponsorship sales and management.
- ▶ Videotron Ltd. announces the acquisition of Fibrenoire inc., a provider of fibre-optic connectivity services to businesses, strengthening its leading position in business telecommunications services.

## FEBRUARY

- ▶ Quebecor Media Inc. partners with digital marketing agency Dialekta to enable real-time adaptation of advertising content across its entire digital network, giving advertisers unsurpassed targeting capabilities.

## MARCH

- ▶ Videotron launches its new User Centre+ app, which lets customers manage their services, add data packages to their Internet or mobile service, and more.
- ▶ For the 11th year in a row, Videotron is Québec's most respected telecommunications company in the annual Léger corporate reputation survey.
- ▶ TVA Publications Inc. and Les Publications Charron & Cie inc. win nine awards at the prestigious Canadian Cover Awards, which recognize excellence in Canadian newsstand magazine covers.

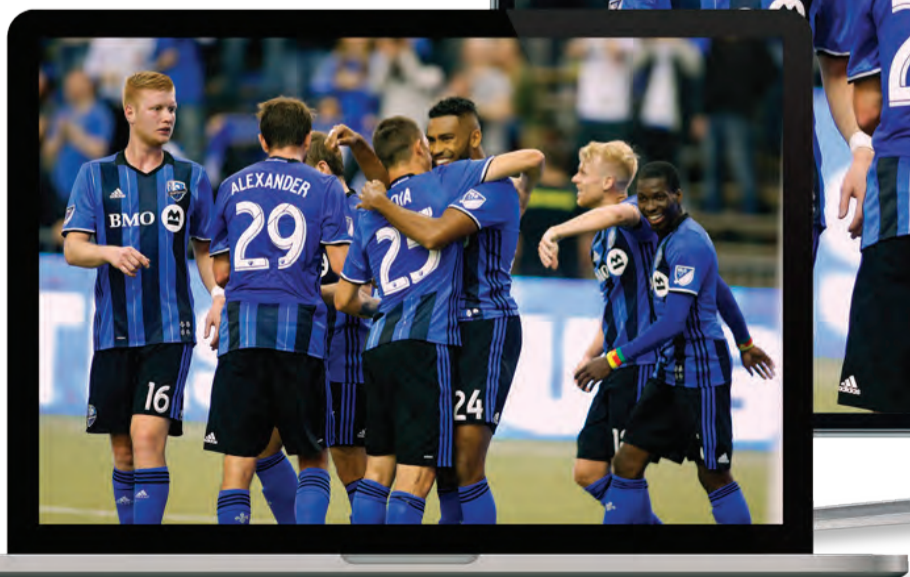
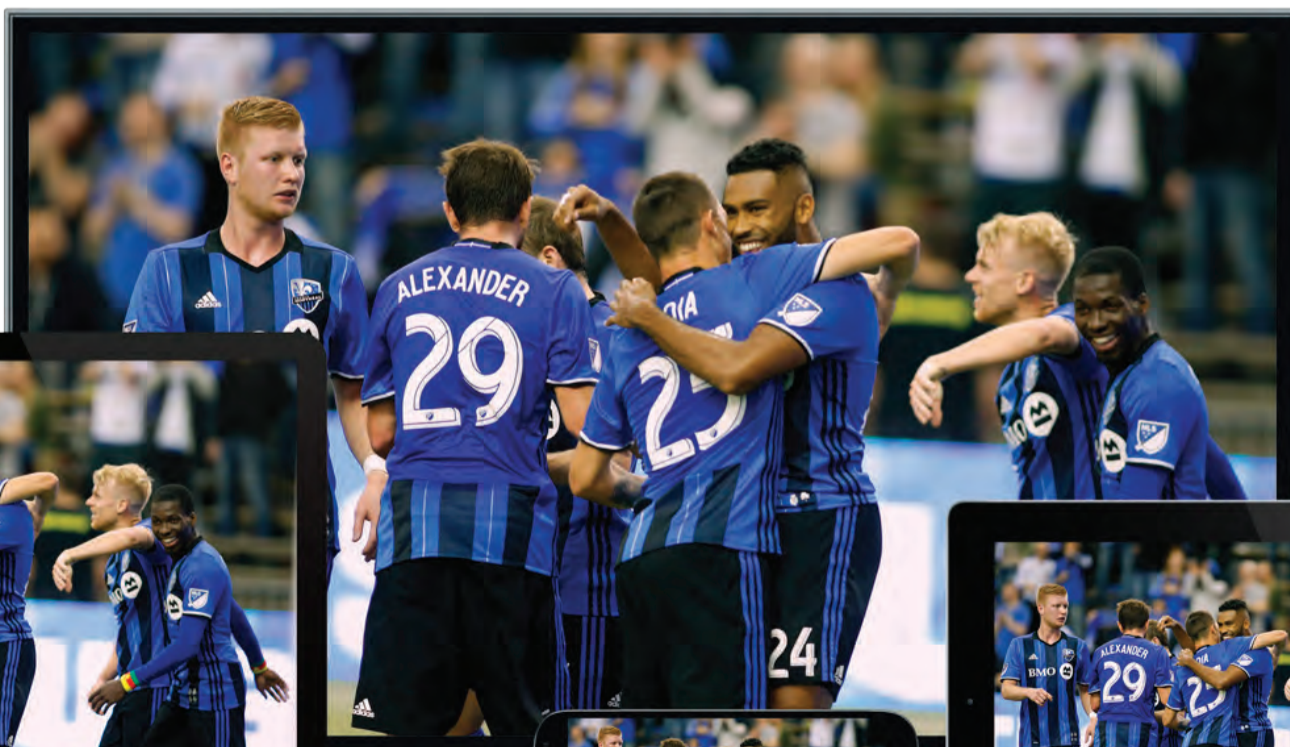
## APRIL

- ▶ According to the Q2 2016 Vividata survey, *Le Journal de Montréal*, *Le Journal de Québec* and the free daily *24 heures* remain Québec's news leaders with more than 3.8 million readers per week on all platforms.
- ▶ Quebecor Content signs an agreement with NBCUniversal Television and New Media Distribution Canada to give members of the Club illico over-the-top video service access to some of the most popular new releases from one of the world's largest content producers and distributors.
- ▶ TVA Group Inc. releases the Molto app, a new digital newsstand that gives users unlimited access to the full content of all its magazines on their tablets and smartphones.



## MAY

- ▶ In view of Quebecor's continuing healthy financial position and its ability to generate cash flows, the Board of Directors announces a 28.6% increase in the Corporation's quarterly dividend in the first quarter of 2016.



## JUNE

- ▶ Quebecor Media Group announces Immersion, a new video advertising format that lets businesses reduce their advertising video production costs by leveraging existing content.

## JULY

- ▶ Videotron launches Giga Fibre Hybrid Internet access service, which offers residential and business customers connection speeds of up to 940 Mbps.

# INTERNET

# GIGA

MAINTENANT DISPONIBLE\*



ÉTS – Quartier de l'innovation

## AUGUST

- ▶ TVA Sports announces a hockey-packed fall schedule to mark its 5th birthday



## SEPTEMBER

- ▶ On September 12, the Videotron Centre closes its first full year of operation, during which it hosted 93 sporting events and concerts, as well as 30 corporate events. More than 1.1 million people passed through the turnstiles.
- ▶ On September 13, 4Degrees Colocation Inc., a subsidiary of Videotron, officially opens its \$40-million Montréal data centre, a 4,000-square-metre facility equipped with one of the largest server rooms in Québec.
- ▶ On September 20, Ericsson Canada Inc., École de technologie supérieure (ÉTS), Quartier de l'innovation de Montréal and Videotron announce a partnership to create the first open-air smart-living laboratory to test all aspects of fifth-generation telecommunications technologies.

## OCTOBER

- ▶ TVA Group launches the new *TVA.ca* website and the TVA mobile app, which provide free access to TVA programs in high definition, live or on demand.
- ▶ Club illico releases Season 2 of the original Québec series *Blue Moon*, which logs 500,000 viewings in 5 days.
- ▶ The first season of *La Voix Junior* draws an average audience of 2,309,600.

## NOVEMBER

- ▶ On November 15, 2016, Videotron began rolling out Docsis 3.1 technology on its network. Developed by the CableLabs consortium, of which Videotron is a member, Docsis 3.1 will eventually deliver download speeds of up to 10 Gbps and upload speeds of up to 1 Gbps.
- ▶ Quebecor supports the Pointe-à-Callière Foundation's first major fundraising campaign and announces that its name will be attached to the pavilion showcasing the remains of Fort Ville-Marie, to be known as the Fort Ville-Marie – Quebecor Pavilion.



Fort Ville-Marie – Quebecor Pavilion



4Degrees Colocation

## DECEMBER

- ▶ Quebecor Content announces the renewal of its major contract with Viacom International Media Networks, one of the world's largest producers and distributors of content for children. Under the agreement, Quebecor Content will add more than 750 episodes of children's program to its offerings on Club illico and Yoopa.
- ▶ Videotron adds Apple Music, Napster, Tidal and SoundCloud to its Unlimited Music service, bringing the total number of supported music streaming to 18.

# HIGHLIGHTS

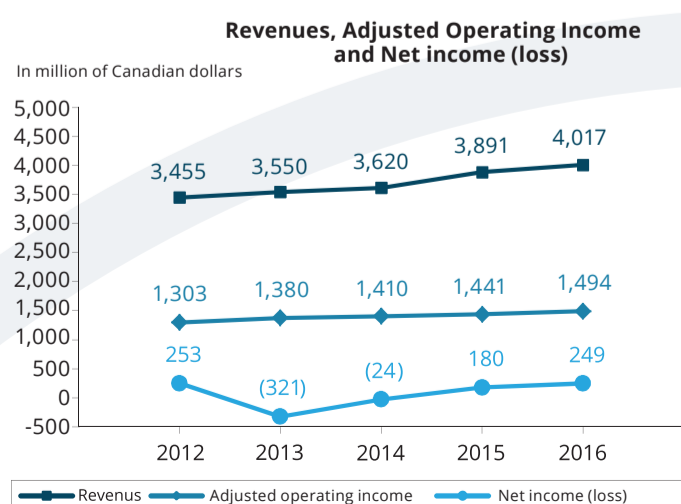
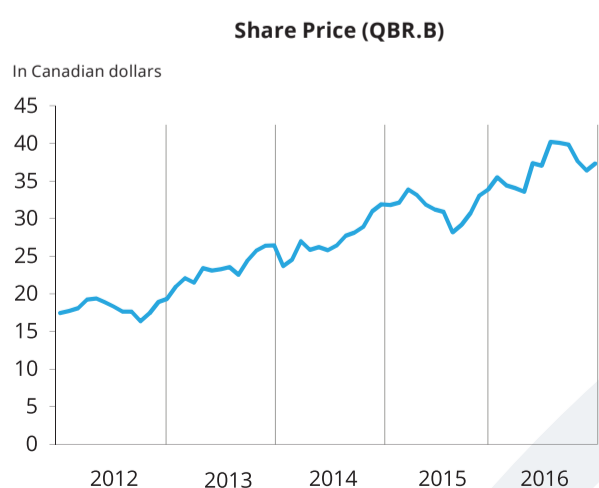
## HIGHLIGHTS

Financial years ended December 31, 2016, 2015 and 2014  
(in millions of Canadian dollars, except per share data)

	2016	2015	2014
<b>OPERATIONS</b>			
Revenues	\$ 4,016.6	\$ 3,890.8	\$ 3,619.8
Adjusted operating income <sup>1</sup>	1,494.1	1,440.7	1,409.8
Contribution to net income (loss) attributable to shareholders:			
Adjusted income from continuing operating activities <sup>2</sup>	305.5	239.9	209.7
(Loss) gain on valuation and translation of financial instruments	(68.4)	4.7	(95.3)
Unusual items	(42.4)	(79.0)	(85.4)
Discontinued operations	-	(13.8)	(59.1)
Net income (loss) attributable to shareholders	194.7	151.8	(30.1)
Cash flows provided by continuing operating activities	1,113.0	1,072.2	960.7
<b>BASIC DATA PER SHARE</b>			
Contribution to net income (loss) attributable to shareholders:			
Adjusted income from continuing operating activities <sup>2</sup>	\$ 2.49	\$ 1.95	\$ 1.70
(Loss) gain on valuation and translation of financial instruments	(0.56)	0.04	(0.77)
Unusual items	(0.34)	(0.64)	(0.69)
Discontinued operations	-	(0.11)	(0.48)
Net income (loss) attributable to shareholders	1.59	1.24	(0.24)
Dividends	0.17	0.13	0.10
Equity attributable to shareholders	3.72	2.44	4.10
Weighted average number of shares outstanding (in millions)	122.3	122.7	123.0
<b>FINANCIAL POSITION</b>			
Long-term debt	\$ 5,616.9	\$ 5,812.4	\$ 5,048.2
Equity	847.2	652.0	1,063.3
Total assets	9,262.3	9,275.9	9,078.5
<b>EMPLOYEES</b>			
	10,100	10,400	13,800

<sup>1</sup> See definition of "Adjusted operating income" on next page.

<sup>2</sup> See definition of "Adjusted income from continuing operating activities" on next page.





## DEFINITIONS

### Adjusted Operating Income

In its analysis of operating results, Quebecor (the Corporation), defines adjusted operating income, as reconciled to net income (loss) under International Financial Reporting Standards (IFRS), as net income (loss) before depreciation and amortization, financial expenses, (loss) gain on valuation and translation of financial instruments, charge for restructuring of operations, litigation and other items, charge for impairment of goodwill and other assets, loss on debt refinancing, income taxes, and loss from discontinued operations. Adjusted operating income as defined above is not a measure of results that is consistent with IFRS. It is not intended to be regarded as an alternative to other financial operating performance measures or to the statement of cash flows as a measure of liquidity. It should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Corporation uses adjusted operating income in order to assess the performance of its investment in Quebecor Media. The Corporation's management and Board of Directors use this measure in evaluating its consolidated

results as well as the results of the Corporation's operating segments. This measure eliminates the significant level of impairment and depreciation/amortization of tangible and intangible assets and is unaffected by the capital structure or investment activities of the Corporation and its business segments.

Adjusted operating income is also relevant because it is a significant component of the Corporation's annual incentive compensation programs. A limitation of this measure, however, is that it does not reflect the periodic costs of tangible and intangible assets used in generating revenues in the Corporation's segments. The Corporation also uses other measures that do reflect such costs, such as cash flows from segment operations and free cash flows from continuing operating activities of the Quebecor Media subsidiary. The Corporation's definition of adjusted operating income may not be the same as similarly titled measures reported by other companies.

The table below provides a reconciliation of adjusted operating income to net income (loss) as disclosed in Quebecor's consolidated financial statements.

### Reconciliation of adjusted operating income to net income (loss)

Financial years ended December 31, 2016, 2015 and 2014  
(in millions of Canadian dollars, except per share data)

	2016	2015	2014
Adjusted operating income	\$ 1,494.1	\$ 1,440.7	\$ 1,409.8
Depreciation and amortization	(653.0)	(693.6)	(661.1)
Financial expenses	(328.0)	(335.0)	(350.3)
(Loss) gain on valuation and translation of financial instruments	(70.3)	6.7	(94.7)
Restructuring of operations, litigation and other items	(28.0)	116.9	(49.6)
Impairment of goodwill and other assets	(40.9)	(230.7)	(81.0)
Loss on debt refinancing	(7.3)	(12.1)	(18.7)
Income taxes	(117.8)	(93.1)	(97.2)
Loss from discontinued operations	-	(19.7)	(81.6)
Net income (loss)	\$ 248.8	\$ 180.1	\$ (24.4)

### Adjusted income from continuing operating activities

The Corporation defines adjusted income from continuing operating activities, as reconciled to net income (loss) attributable to shareholders under IFRS, as net income (loss) attributable to shareholders before (loss) gain on valuation and translation of financial instruments, charge for restructuring of operations, litigation and other items, charge for impairment of goodwill and other assets, loss on debt refinancing, net of income tax related to adjustments and of net income attributable to non-controlling interest related to adjustments, and before the loss from discontinued operations attributable to shareholders. Adjusted income from continuing operating activities, as defined above, is not

a measure of results that is consistent with IFRS. It should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Corporation uses adjusted income from continuing operating activities to analyze trends in the performance of its businesses. The above-listed items are excluded from the calculation of this measure because they impair the comparability of the financial results. Adjusted income from continuing operating activities is more representative for forecasting income. The Corporation's definition of adjusted income from continuing operating activities may not be identical to similarly titled measures reported by other companies.

# MESSAGE TO SHAREHOLDERS

Quebecor's sustained growth of recent years continued with an excellent financial performance in 2016, driven by implementation of our business plan focused on fast-expanding lines of business. Once again, innovation was at the centre of our actions in every area: technology, content, customer experience.

Our success in pursuing those strategic objectives enabled us to strengthen our financial structure and allowed Videotron and Quebecor Media Group to hold their industry-leading positions, thanks to the convergence strategy we have been deploying for 15 years. That strategy also helped lift Sports and Entertainment Group, which became a major player in shows and sporting events in Québec.

Quebecor held its course and continued developing on the strength of its employees and senior management, who demonstrate deep commitment and uncommon agility day after day.

## **CUSTOMER EXPERIENCE: ALWAYS OUR PRIORITY**

Videotron continued to stand out by constantly pushing the customer experience envelope. Our convergence strategy, which is central to its service proposition, revolves around offering customers an ever-wider selection of original, distinctive content on all of our platforms. That is a major differentiator for the company, generating direct benefits by attracting new customers to its products and services.

Club illico is a striking example. By investing in Québec productions, among other things, Videotron achieved enormous success for its new platform. The first two seasons of the original Québec series *Blue Moon* logged more than 4.5 million viewings. As of December 31, 2016, Club illico had 314,700 members, a 22.2% year-over-year increase.

The strategies born of Videotron's commitment to delivering superior customer experience are paying dividends for all of its services. Mobility registered another year of robust subscriber growth with a 16.3% increase, passing the 900,000-subscriber connection mark in early 2017. In fact, it recorded the largest increases of any mobile carrier in Québec, propelling it into the ranks of the mobile industry leaders in its service area. Internet access also remained a growth driver with a 44,600-subscriber increase and a \$58.0 million or 6.3% increase in revenues.

To stay at the cutting edge of technology, Videotron launched and established, in partnership with Ericsson Canada, École de technologie supérieure and the Quartier de l'innovation de Montréal, Canada's first open-air smart-living laboratory, designed to field-test fifth-generation telecommunications technologies, an emerging new industry, under real-life conditions.

## **SUSTAINED GROWTH IN VIDEOTRON BUSINESS SOLUTIONS' OFFERINGS**

Videotron Business Solutions performed strongly in the business market as the telecom provider chosen by more Québec businesses than any other. It built on its full line of products and services and superior customer service to forge ahead with its one-stop-shop strategy in 2016 in order to expand its subscriber base and meet its customers' growing needs.

First, the acquisition of Fibrenoire, a provider of fibre-optic connectivity services to large businesses, in early 2016 enabled Videotron to pool its resources and deliver agile, customized services to each of its market segments. Videotron is making every effort to help businesses large and small achieve their common goal of continuously improved performance.

After expanding the 4Degrees Colocation data centre in Québec City, Videotron opened a new purpose-built data-hosting facility that meets the highest international standards at the Campus Saint-Laurent in Technoparc Montréal. The two interconnected data centres make 4Degrees Colocation the only provider in Québec that can offer intraprovincial redundancy for unrivalled reliability.

By broadening its services, Videotron Business Solutions strengthened its leadership in the business market and stepped up its growth, particularly in the big business space.

### **ALWAYS MORE CONTENT FOR OUR CUSTOMERS**

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

Its newspapers are Québec's most-read dailies, while *TVA Nouvelles* and LCN are Quebecers' favourite news sources. News has been a core business for Quebecor historically and remains so to this day. Since QMI Agency set up its Parliamentary Bureau in 2012 and its Investigative Bureau in 2013, management has continued investing in resources of all kinds in order to maintain its longstanding leadership.

When it comes to entertainment, TVA was also immensely successful with shows such as *La Voix*, one of the 19 TVA programs that figured among the top 30 shows in Québec in 2016. Similarly, Media Group's magazines have the largest readership in Québec and the second largest in Canada.

To reach increasingly targeted audiences, Media Group is constantly seeking new ways to renew its service offerings by developing value-added content and launching new platforms, for the benefit of its customers.

Media Group therefore increased its proximity to its audiences in 2016. TVA added the *TVA.ca* website and the TVA mobile app to its platforms to give users 24-hour access to live-streaming and archived content from its network. Media Group's digital sites attracted a total of 4.4 million visitors per month. QMI Agency's Parliamentary Bureau and Investigative Bureau expanded to offer readers and viewers more exclusive reports. The Studios Goji creative talent collective maintained its growth by satisfying young people's appetite for online content. 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.

### **LEADER IN SPORTING AND CULTURAL ENTERTAINMENT**

In 2016, we took another step towards our goal of 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 30 corporate events. The Remparts de Québec set an all-time Canadian Hockey League attendance record in their new home. The popular arena was ranked 5th in Canada in terms 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 Quebecor's content strategy. To further enhance its 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.

### **SOLID FINANCIAL PERFORMANCE**

Quebecor recorded total sales of \$4.02 billion in fiscal 2016, a \$125.8 million (3.2%) year-over-year increase. The Telecommunications segment, the leading edge of its business strategy, grew its revenues by a significant \$144.8 million (4.8%) to a total of \$3.15 billion. Quebecor generated adjusted operating income of \$1.49 billion in 2016, up \$53.4 million (3.7%). Net income attributable to shareholders was \$194.7 million (\$1.59 per basic share) in 2016, compared with \$151.8 million (\$1.24 per basic share) in 2015, an increase of \$42.9 million (\$0.35 per basic share).

These numbers confirm the soundness of our business model and investment strategies in each of our business segments, supported by its constant attention to optimizing its structures and costs.

## **BENEFITS FOR THE ENTIRE COMMUNITY**

Going forward, Quebecor is well positioned to pursue its strategic development vision. 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 to express our pride in our roots and to mine Québec's extraordinary potential, for the benefit of our economy and all of our communities.

In conclusion, we would like to express our gratitude to all our shareholders, directors, customers, partners and talented employees. They all contribute to Quebecor's success, each in their way.



The Right Honourable Brian Mulroney  
Chair of the Board



Pierre Karl Péladeau  
President and Chief Executive Officer

The image features a blue-tinted aerial photograph of a city with numerous skyscrapers. Overlaid on this are several white, thin-lined circles of varying sizes and arcs, some of which intersect to form a network-like pattern. A prominent white circle in the lower-left quadrant contains the text 'TELECOM GROUP'.

**TELECOM  
GROUP**

# TELECOMMUNICATIONS

## VIDEOTRON LTD.

Videotron is the uncontested industry leader in Québec. More than six years after becoming the first new market entrant to launch its own mobile network and doing it in record time, thereby expanding the range of choices available to Québec consumers, Videotron has carved out a strong position in the mobility market with 893,900 residential and business subscriber connections as of December 31, 2016.

That resounding success demonstrated Videotron's longstanding ability to stay at the cutting edge, for the benefit of its customers. In another example, Videotron was the first cable television provider to offer pick-and-pay, more than 10 years before the CRTC mandated it for the entire industry.

The series of new services introduced by Videotron in 2016 demonstrates its continuing determination to retain the favour of consumers. Notable new offerings include the Wi-Fi app and Giga Fibre Hybrid Internet access service introduced in the summer, more affordable ultra-high-speed, unlimited download/upload Internet plans, and the promotion on Canada-US Without Borders plans.

The launch of a new redesigned version of the illico app, the addition of several new on-demand channels, including HGTV, Food Network, Disney XD and Disney Junior, the introduction of Club illico on mobile, and the addition of 12 more music-streaming apps to the Unlimited Music catalogue also helped enrich Videotron's offerings.





Club illico, launched in 2013, now has some 314,700 members. It has succeeded in anticipating new ways of watching television and binge viewing, and carving out a dominant position in the French-language market despite the invasion of American over-the-top services. It added numerous new titles to its catalogue in 2016, including popular exclusive television series such as the first two seasons of the original Québec series *Blue Moon*, which logged more than 4.5 million viewings, and the first seasons of *Dominion*, *The Expanse*, *Game of Silence* and *DC: Legends of Tomorrow*. In 2016, Club illico invested nearly \$14 million in content, not counting *Victor Lessard*, an original Québec series shot entirely in 4K that launched in March 2017.

On another front, Videotron worked hard to strengthen its leadership in the business solutions space. In addition to acquiring Fibrenoire, a provider of fibre-optic connectivity services to businesses, it spent \$40.0 million on the construction of a data centre in Montréal to provide its customers with the colocation solutions they need for data hosting and processing. The new centre, which opened in September 2016, is Phase 2 of the initiative

begun in 2015 with the acquisition of the 4Degrees Colocation data centre in Québec City.

The new Fibrenoire and 4Degrees Colocation services, combined with business telephony, Internet access, cable television and wireless telephony services, enable Videotron Business Solutions to offer a full line of solutions to meet its business customers' needs, in addition to providing businesses large and small with a customized customer experience.

In keeping with its connection to entrepreneurship, Videotron Business Solutions was among the partners supporting the C2 Montréal business conference for the fifth consecutive year. C2 Montréal brings together thousands of business people from around the world to discuss creativity and business. Videotron Business Solutions also presented the 6th annual International Startup Festival, for which hundreds of businesspeople converged on Montréal to talk entrepreneurship. Videotron Business Solutions renewed its partnerships with Parcours Innovation PME Montréal and the OSEntreprendre Challenge, a contest that publicizes entrepreneurial ventures.

So how have Quebecers responded to Videotron's numerous innovations and initiatives? No fewer than 242,200 new subscriber connections to the mobile telephony service were registered in 2016. Plus, Videotron was the top choice of Québec businesses, the most respected telecommunications provider in Québec for the 11th year in a row according to the Léger survey, and the only Québec company in the top 5 on the Ipsos-Infopresse brand influence list.

## Awards and honours

- ▶ Leading market research firm Forrester ranked Videotron tops in four categories in 2016: best customer experience in Television, Internet and Mobile, and the ultimate accolade for Videotron Mobile, best customer experience overall among all 193 surveyed Canadian brands in all industries.
- ▶ Videotron was number 1 in Québec on the Netflix ISP Speed Index and number 1 in Canada (July to December 2016).
- ▶ Videotron was the best telecommunications retailer in Québec for the fifth consecutive year on Léger's WOW index.



4Degrees Colocation data centre in Montréal





*Urban Nations*

## MAtv

MAtv aired more than 4,300 hours of original local programming across Québec, emphasizing diversity and relevant, varied content. Its units devoted more than 60% of their schedules to local programming. They welcomed volunteers to their studios and gave them an opportunity to become involved and enjoy an enriching television experience.

With its deep community roots, MAtv had a prominent presence on the social and cultural landscape, being involved in more than 300 community events. In collaboration with its partners, it broadcast a wide range of cultural programming, including *Ma première Place des Arts*, a series produced in partnership with the Société pour l'avancement de la chanson d'expression française (SACEF) that gives young Québec musicians a chance to shine, and *Figures marquantes de notre histoire*, a series of profiles of major figures in Québec history produced in collaboration with the Bibliothèque et Archives nationales du Québec (BANQ) and the Fondation Lionel Groulx.

MAtv also made it easier for members of the community to play a role in program production with its *MON bénévolat* program, which helped citizens participate in producing local shows. Across Québec, MAtv worked with nearly 350 volunteers who put in a total of more than 18,500 hours. The community channel stayed true to its mission, inviting citizens and community organizations to submit television program projects.

More than eight new shows were added to the schedule to bring the many voices and faces of Montréal to the screen. Vox pop shows, public forums, documentaries, public affairs programs, lifestyle shows and Aboriginal profiles introduced audiences to inspiring individuals who are active in the community. For the second year in a row, English-language programming accounted for more than 20% of MAtv Montréal's schedule.

Members of the public also sat on the Advisory Committees created by MAtv in each region to reflect the vibrancy of local communities and ensure the channel carries relevant programming that is representative of the population.



*Figures marquantes de notre histoire*




## LE SUPERCLUB VIDÉOTRON LTÉE

In a fast-changing digital marketplace, Le SuperClub Vidéotron reviewed its mission and continued its transformation. Its goal is to buttress its positioning as a franchise chain that markets Videotron's telecommunications products and services in addition to home entertainment products, while offering a unrivalled customer experience. This strategy supports the company's long-time partners, the franchisees, and enables them to carry on their business with prospects for future growth.

Nearly \$3.8 million was spent in conjunction with franchise-holders to enhance the customer experience. Eighteen points of sale were renovated and the space allotted to retailing and providing advice on telecommunications products and services was expanded, human contact being one of the core factors that add value and build customer loyalty. The company rose to that challenge, placing 13th in customer experience among 173 Québec retailers.

Le SuperClub Vidéotron has a chain of 93 locations across Québec, 66 of which house a Videotron counter offering the company's four products (illico, Internet, mobile telephony and residential telephony). There are also 55 Microplay™ stores at Le SuperClub Vidéotron locations and 9 in the rest of Canada.



**MEDIA  
GROUP**

# BROADCASTING



*Les beaux malaises*

## TVA NETWORK

TVA Group, the largest French-language broadcaster in North America, extended its impressive lead in Québec's television industry, increasing its market share from 34.1% in 2015 to 35.5% at the end of 2016, far ahead of its two main rivals.

The strong performance was driven by a cluster of programs beloved by Québec audiences: TVA Network carried 19 of the top 30 fall-season shows in Québec, 17 of which attracted more than a million viewers.

The multiplatform franchise *La Voix* was an audience favourite with an average of 2.6 million viewers, peaking at 3,675,000. *La Voix Junior*, the television phenomenon of the fall season, was watched by an average of 2.3 million people and scored a 55% market share.



*L'imposteur*



*TVA Nouvelles*

The morning show *Salut, Bonjour !*, now expanded to 4 hours, continued to dominate its time slot with a 44% market share and a peak audience of more than 800,000. A number of programs were back for another successful season, including *Les beaux malaises* (season 3), *Au secours de Béatrice*, *Boomerang*, *O'*, *Le Banquier* and *Gala ARTIS*. Two new dramas, *L'Échappée* and the series *L'imposteur*, were also well received.

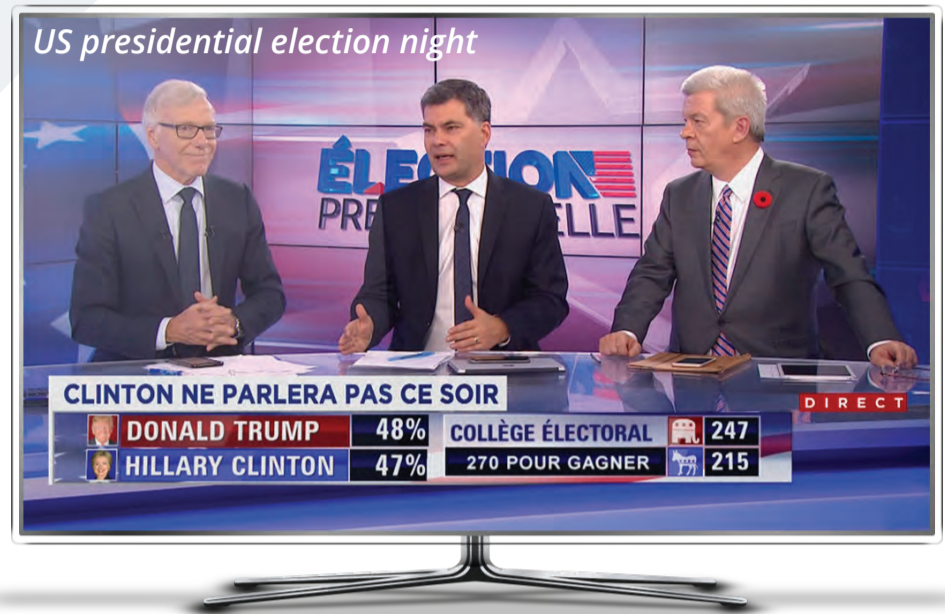
TVA Group held its number 1 position in news in Québec. Pierre Bruneau, who celebrated his 40th year with TVA, and Sophie Thibault remained Québec's most respected news anchors. All *TVA Nouvelles* newscasts (noon, 5 p.m., 6 p.m., 10 p.m.) led their time slots by comfortable margins.



*Boomerang*

TVA news turned its lens on every major event. Its *US presidential election night* coverage, anchored by Pierre Bruneau and carried on TVA and LCN, drew a total of 1,139,000 viewers for a 40% market share. In addition, more than 900,000 people followed the elections on *tva.nouvelles* and its mobile app. On Facebook, *TVA Nouvelles* maintained its status as Québec's social media leader, reaching more than 4,000 people per minute.

TVA Group strengthened its digital posture by launching the new *TVA.ca* website and the TVA mobile app, which provide free access to TVA content in high definition. The site and app let users stream TVA live or watch archived content anytime, anywhere.



Salut, Bonjour!



*Mensonges*



*Hakim Chajar –  
Inspiration chef*

## SPECIALTY CHANNELS

Quebecers continued tuning in TVA Group's speciality channels throughout the year.

addik<sup>TV</sup> boosted its audience by 8% in fall 2016 compared with the same period of 2015, attracting fans of television drama with shows such as season 3 of the police series *Mensonges*, produced by Sovimage in collaboration with Quebecor Content, *Prémonitions*, an original series from Encore télévision, also produced in collaboration with Quebecor Content, was the top-rated show of the fall season.

MOI&cie broadcast *Je suis trans*, the first documentary series about transgender people on Québec television. It attracted considerable attention from both the media and the general public. *Je suis trans* will be back for a second season in 2017.

\*prise 2, the only channel in Québec that carries classic television shows from all networks for all generations, celebrated its 10th anniversary with a schedule packed with specials, including a youth marathon, a 24-hour film festival, birthday videos featuring celebrities, and the addition of the popular series *Les p'tits bonhommes*.

In an original move, Yooopa promoted its YooPopCorn film series by organizing local outdoor screenings of *Kung Fu Panda 3*. CASA showcased homegrown talent with shows such as *Hakim Chajar - Inspiration chef* and *Les rénos d'Hugo*.

LCN, the all-news channel that celebrates its 20th birthday in 2017, was at every major event in 2016 and it has been the most-watched specialty service in Québec since August 2016, with a weekly market share of 3.8% (compared with 2.9% for RDI) and a weekly audience of nearly 3 million. Fall ratings were up considerably for a number of its programs, including *Le Québec matin*, which grew its audience by 28% from the same period of 2015, *Mario Dumont* with a 31% increase and a market share of more than 10%, and *La joute* with a 7% increase compared with the same time slot in 2015.





*Prémonitions*



Another milestone of 2016, the 5th anniversary of TVA Sports, saw the channel air a hockey-centric schedule featuring more than 250 National Hockey League (NHL) games, including 22 Montréal Canadiens games, various special events and the Stanley Cup finals.

TVA Sports was also proud to present the 2016 World Cup of Hockey tournament, in which the world's best players competed. On September 24, 2016, 1.2 million people watched the Canada-Russia game on TVA Sports and TVA for a combined market share of 19.5% and a peak audience of 1.7 million during the game.

Late in the year, the channel signed a major agreement making it the exclusive French-language broadcaster of the Montréal Impact and an official broadcaster of Major League Soccer (MLS) until 2021. TVA Sports will therefore carry all Montréal Impact regular season and playoff games starting in 2017, as well as the All-Star Game, the Audi MLS Cup playoffs and the MLS Cup final, reserving a choice place on its schedule for the fast-growing sport of soccer.

Several other sports were featured on TVA Sports, including tennis (TVA Sports is the official French-language broadcaster of the Rogers Cup through 2020) and Toronto Blue Jays baseball, which registered a 5% average audience increase.

Marianne Fortier Félix-Antoine Duval Sylvain Marcel Hélène Florent Patrice Robitaille Brigitte Lafleur

# pour SARAH



D'après une idée originale de FRANÇOIS ROZON

Auteure  
MICHELLE ALLEN

Réalisateur  
ÉRIC TESSIER

**Et si votre vie  
changeait  
en une nuit?**



## TVA FILMS

TVA Films, a major player in Québec's cinematic and audiovisual ecosystem, continued distributing diverse content on a variety of platforms: DVD, download services, video on demand, over-the-top video, over-the-air television, specialty channels, pay TV and theatrical.

Humour being a particularly popular genre in Québec, TVA Films was pleased to help bring local comics to a mass audience, including François Bellefeuille,

Stéphane Rousseau, François Morency, Maxim Martin, Jean-Marc Parent, Dominic et Martin, and Rachid Badouri.

TVA Films also distributed a number of titles on DVD, digital and video-on-demand platforms in 2016, including *Les beaux malaises*, *Pour Sarah*, *Heidi* and the Claude Lelouch film *Un plus Une*.

TVA Films' goal is to offer its customers still more content in the future and to widen its multiwindow, multiplatform strategy. It is committed to playing an even more decisive role going forward.



Arrival

**MELS offers a full complement of services for filmmaking, television and advertising, including:**

- ▶ 20 soundstages, including some of the largest in North America
- ▶ the largest inventory of production equipment in Canada
- ▶ visual effects
- ▶ image and audio post-production
- ▶ Canada's only professional film lab
- ▶ dubbing
- ▶ digital distribution on all platforms
- ▶ R & D team

## MELS

Once again, Mels Studios and Postproduction G.P. (MELS) attracted an impressive number of local and foreign productions to its facilities in Montréal and Saint-Hubert in 2016 on the strength of its strong reputation in the movie industry.

The major international productions in which MELS was involved included the movie *Race*, for which MELS won the Canadian Screen Awards in all three categories in which it was nominated (Achievement in Visual Effects, Achievement in Sound Editing and Achievement in Overall Sound), and Québec director Denis Villeneuve's film *Arrival*, which was nominated for eight Oscars, including one for MELS professionals in the Sound Mixing category, and nine BAFTA Awards, where MELS took top honours for Best Sound. MELS was also responsible for the visual effects on the movies *Star Trek Beyond*, *Rings*, *X-Men: Apocalypse* and *The Shallows*, as well as the series *Versailles 2*, *The Get Down*, *Colony 2* and *Sleepy Hollow 4*.



Race

A number of American productions, including projects from prestigious studios such as Miramax Films, MGM, Muse Entertainment Enterprises, 20th Century Fox and Lions Gate Entertainment, also made use of MELS' professionals and facilities. In 2017, MELS' soundstages will welcome a mega-production in the *X-Men* franchise for the third time.

Domestically, MELS provided soundstages, visual effects and postproduction services for numerous Québec feature films, including *Bon Cop*, *Bad Cop 2*, *De père en flic 2*, *Hochelaga, terre des âmes*, *Maudite poutine* and *Votez Bougon*, as well as 22 television series produced in Québec, including *Blue Moon*, *L'imposteur*, *L'Échappée*, *Les pêcheurs*, *Mensonges*, *O'*, *Prémonitions* and *30 vies*.



Versailles 2

# NEWSPAPERS

## DAILIES

*Le Journal de Montréal*, which was founded in 1964 by Pierre Péladeau and marked the beginning of Quebecor, *Le Journal de Québec* and the free paper *24 heures* continued performing strongly in 2016, reaching a total of 3.8 million readers per week. That means more than one out of two Quebecers (53%) get their news from *Le Journal de Montréal*, *Le Journal de Québec* or *24 heures* on the platform of their choice: print, Web or mobile.

*Le Journal de Montréal*, the number 1 daily in Québec, reached 3.1 million readers each week on all platforms, 810,000 more than its main competitor. Weekday

circulation averaged 251,700 copies, up 9% from 2015. Saturday circulation rose 11% to 267,700 and Sunday circulation increased 9% to 249,100.

*Le Journal de Québec*, which celebrates its 50th anniversary in 2017, remained the most-read newspaper in its market across all platforms. Its total circulation was stable compared with 2015 at 152,300 on weekdays, 159,900 on Saturdays and 155,100 on Sundays. Its popular print edition reaches more than one out of two people aged 12 and over in Québec City.





The digital platforms of *Le Journal de Montréal* and *Le Journal de Québec* positioned them as leaders in new media in Québec, with a reach of nearly 3.3 million unique visitors per month, an all-time high since going live. The J5 mobile app also remained popular with than 400,000 downloads. Lastly, *Le Journal de Montréal* Facebook page broke through the half-million fan mark in 2016.

The free daily *24 heures* reached 1.1 million readers per week across all platforms, while the print edition reached 1.0 million readers. The introduction of a new, more personalized distribution strategy, supported by a major advertising/publicity campaign, coupled with the arrival of several new columnists and bloggers, contributed to the paper's dynamism and growing popularity.



## MESSAGERIES DYNAMIQUES

Founded in 1965, Messageries Dynamiques confirmed its stature as Québec's largest distributor of magazines and newspapers in May with the signing of an exclusive magazine sub-distribution agreement with Disticor Magazine Distribution Services, a Canadian company that acquired the North American distribution rights to most of distributor LMPI's European titles, counting all languages, in April 2016.

Following the agreement, in 2016, Messageries Dynamiques distributed 39.3 million copies of its fast-growing portfolio of magazines, which now includes 4,480 titles, mostly in French. The weeklies *7 Jours*, *La Semaine*, *Allô Vedettes* and *Paris Match*, the monthlies *Ricardo*, *Coup de pouce*, *ELLE Québec*, *Châtelaine* and

*Science & Vie*, and the quarterly *Trois fois par jour* are among the many titles delivered every week to major grocery chains, mass retailers, drug stores and independent newsstands.

Messageries Dynamiques also distributed 54.8 million copies of newspapers in 2016, including *Le Journal de Montréal*, *Le Journal de Québec* and *Le Devoir*, to its retail network of more than 12,600 points of sale, including 4,500 restaurants.

The main dailies and some magazines from the publishers that use Messageries Dynamiques' services were also distributed through its vast home distribution network, which reaches 229,000 homes every day, 361 days per year.



## QMI AGENCY

QMI Agency, founded in 2009, continued its newsgathering activities and supplied Québec's leading print, television and online media outlets.

Every day, QMI Agency dispatches nearly 250 stories and photographs conveying reliable, high-quality information in a wide range of fields – politics, business, culture, sports, travel and more – to media outlets.

The Investigative Bureau continued its patient, painstaking work, delving into issues and situations that impact Quebecers' daily lives. Its services and staff are shared among all Quebecor media properties. Hundreds of articles and reports were produced and distributed in 2016, uncovering stories such as wasteful IT spending by the Québec government, which led to a review of government policy.





## OUT OF HOME

With a network that has now grown to 5,510 advertising faces, all advertising vehicles combined, Quebecor Media Group Out of Home is better positioned than ever to provide its clients with extensive exposure in the Montréal, Québec City, Laval and Lévis markets. Its bus shelter ads alone reach 93% of the total populations of the Montréal and Québec City census metropolitan areas every month.

Under a 10-year agreement making Quebecor Media Group Out of Home the exclusive business partner of Taxelco for advertising and sponsorship sales and management, two new advertising products are now being offered on Téo Taxis: roof signs and passenger tablets.

Quebecor Media Group Out of Home also distinguished itself in the industry by winning two awards in Ad Club's OOH Showdown: the prize in the Street Level/Transit/Transportation category for its *Civisme et propreté* campaign for the City of Montréal and the "Showdown Winner" grand prize for the same campaign.



## MAGAZINES

With more than 9 million readers in Québec and the rest of Canada across all platforms – 2.8 million for their French-language titles and 7.1 million for their English-language titles – TVA Publications and Les Publications Charron & Cie held their position as Québec's top magazine publisher and remained leaders in the Canadian publishing industry. The Magazines segment has a wide reach across Canada with titles such as *The Hockey News*, which will mark its 70th anniversary in 2017 and is read by approximately 1.6 million hockey fans, and *Canadian Living*, the country's most popular paid-circulation publication with 4.1 million cross-platform readers per issue.



In Québec, the flagship magazine *Coup de pouce* maintained its leading position by attracting 1.5 million readers on all platforms. Six of Québec's top ten magazines by revenue are published by the Magazines segment.

The entertainment magazines published by TVA Publications and Les Publications Charron & Cie were also in high demand with more than 1.3 million readers per week. Their print readership increased by 6.2% between the second and third quarters of 2016. *7 Jours* magazine continued to be a pacesetter in the category with 738,000 readers. Sales of *La Semaine* and *7 Jours* special editions increased so dramatically that they are now considered separate titles and therefore receive better shelf space.

*Clin d'œil* magazine's engagement with the community is also worthy of mention. A project conducted in partnership with jewelry designer Caroline Néron and Pharmacies Jean Coutu yielded \$267,000 in proceeds for the Québec Breast Cancer Foundation.

The Magazines segment devoted considerable effort to improving the user experience provided by its digital products and services by creating 7 new websites. It also launched its own digital newsstand, Molto; the app provides users with access to close to 60 magazines and has logged more than 550,000 magazine downloads to date.

Finally, the Magazines segment was again honoured at various industry awards ceremonies. At the Canadian Online Publishing Awards (COPAs), it won no fewer than seven awards for the online versions of *Canadian Living*, *CHEZ SOI*, *Clin d'œil*, *Coup de pouce*, *ELLE Canada* and *Les idées de ma maison*.



## Studios Goji inc. : The age of the YouTuber

In 2015, Quebecor Media Group launched Studios Goji, an innovative initiative designed to provide the most talented YouTubers with personalized assistance in the development of new multiplatform business opportunities and support for their creative endeavours.

After barely one year in existence, Studios Goji already included 27 creators with varied profiles, audiences and themes, and their productions had attracted some 1,040,000 subscribers and nearly 100 million views on YouTube, in addition to 3,500,000 subscribers to their social media pages.

To support and stimulate young creators, Studios Goji made a sustained effort to make them aware of the expertise available to them: audience development, monetization, distribution, media, etc.

# BOOKS

## GROUPE LIBREX INC.

During the past year, the Éditions Libre Expression publishing house celebrated its 40th anniversary in style by winning the crown for best-selling biography for the third year in a row with *La vieillesse par une vraie vieille* by Janette Bertrand, and by publishing the best-selling Québec novel of the year according to the Gaspard book sales information service, *Vi* by Kim Thúy, translation rights to which have already been sold to five foreign publishers.

At Éditions du Trécaré, translation rights to the new edition of the worldwide success *Les aliments contre le cancer* by Richard Béliveau were awarded to five publishers covering eight countries.

At Éditions Stanké, the winner of the 2016 Grand prix littéraire Archambault, David Goudreault, published the second instalment of his trilogy *La Bête et sa cage*, and singer-songwriter Manu Militari published his first book, a travelogue entitled *Le sourire de Leticia*. Innu reporter, author and TVA anchor Michel Jean edited a collection of 10 short stories, *Amun*, which brings together Aboriginal authors from different backgrounds, nations and generations for the first time. Michel Jean also contributed a story to the volume.

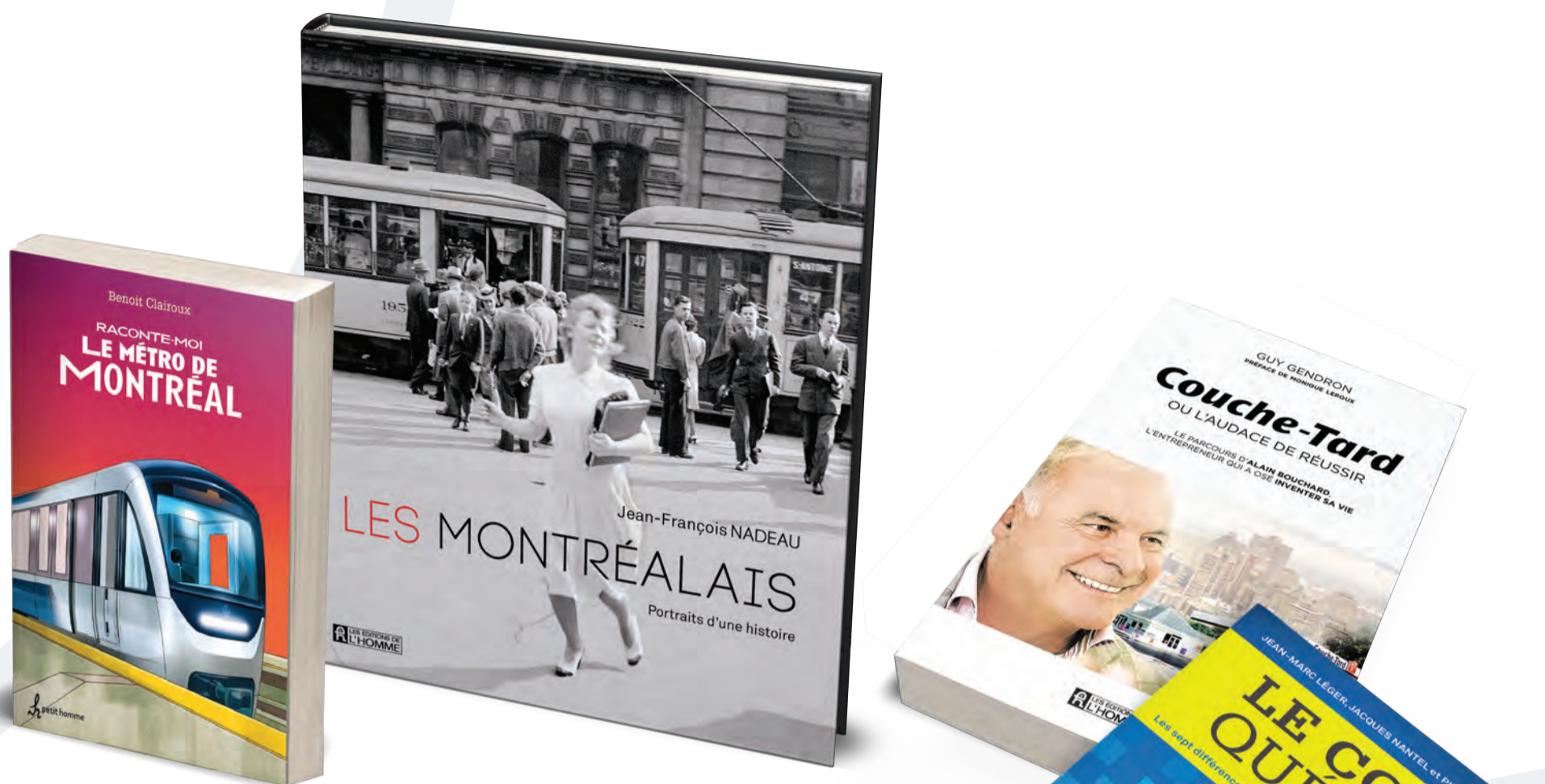


## GROUPE CHARRON ÉDITEUR



*Famille futée 2* by media personality Alexandra Diaz and well-known nutritionist Geneviève O'Gleman, published by Éditions La Semaine in 2015, closed in on the 200,000 copies sold mark. Several other titles by high-profile authors released in 2016, including *Clodine – Ma cuisine express* by

Clodine Desrochers, *Alimentation parents/enfants – Un guide pour aider vos enfants à bien s'alimenter* by Martin Allard, and *Recettes réconfortantes de maman* by Anik Dumontet, helped make it a banner year.



## GROUPE HOMME

Éditions de l'Homme, 59 years young, continued innovating, staying abreast of social trends and events, and applying its deep expertise to promoting Québec writers and culture.

For example, it released several titles about Montréal in connection with the city's 375th anniversary, including *Les Montréalais – Portraits d'une histoire* by historian and journalist Jean-François Nadeau, *Montréalissimo – Vivre et manger à l'italienne* by Lynne Faubert, Michele Forgione and David de Stefano, and *Belles demeures historiques de l'île de Montréal* by architectural historian François Rémillard and art and architecture photographer Brian Merrett.

Several other titles also found favour with the reading public, such as *Le Code Québec – Les sept différences qui font de nous un peuple unique au monde* by Jean-Marc Léger, Jacques Nantel and Pierre Duhamel; *Couche-Tard ou l'audace de réussir* by Guy Gendron; *Le témoin* by Lino Zambito; the wine guide *Le Lapeyrie 2017* by Philippe Lapeyrie; *Manger et bouger au féminin* by Isabelle Huot and Josée Laviguer, and many others.

Children's publisher Éditions Petit Homme added 7 more titles to the 15 in its *Raconte-moi* biography collection. As of December 31, 2016, the collection had sold a total of 90,000 copies. The fourth volume of the popular comic series *La bande à Smikee* by Freg also delighted young readers and won the children's prize at the 2016 Salon du livre de Trois-Rivières. Freg's latest work, *Léo P., détective privé – Tome 1*, is an eclectic brew that weds novel and comic strip.

# LE GROUPE VILLE-MARIE LITTÉRATURE INC.

Several works of fiction published by VLB éditeur in 2016 made a powerful impression, including *Mostarghia* by Maya Ombasic, *Les murailles* by Erika Soucy, *J't'aime encore – Monologue amoureux* by Roxanne Bouchard, *Le dernier chant des premiers peuples* by Jean Bédard, and *Coco* by the precocious and talented Antoine Charbonneau-Demers, winner of the Prix Robert-Cliche in 2016. Essays were also well represented on VLB éditeur's list with *Les Superbes – Une enquête sur le succès et les femmes* by Léa Clermont-Dion and Marie-Hélène Poitras, *Enseigner au Québec* by Normand Baillargeon, *Le point sur la langue – Cinquante essais sur le français en situation* by Louis Cornellier, and *L'État succursale – La démission politique du Québec* by Simon-Pierre Savard-Tremblay. Other noteworthy releases included *Stadorama – 25 points de vue sur le Stade olympique*, a handsome book about the social, architectural and cultural footprint of the Olympic Stadium, and *Lettres à une jeune journaliste* by Josée Boileau. The *Bulletin d'histoire politique* produced three editions, including one entitled *La francophonie nord-américaine : bilan historiographique*.

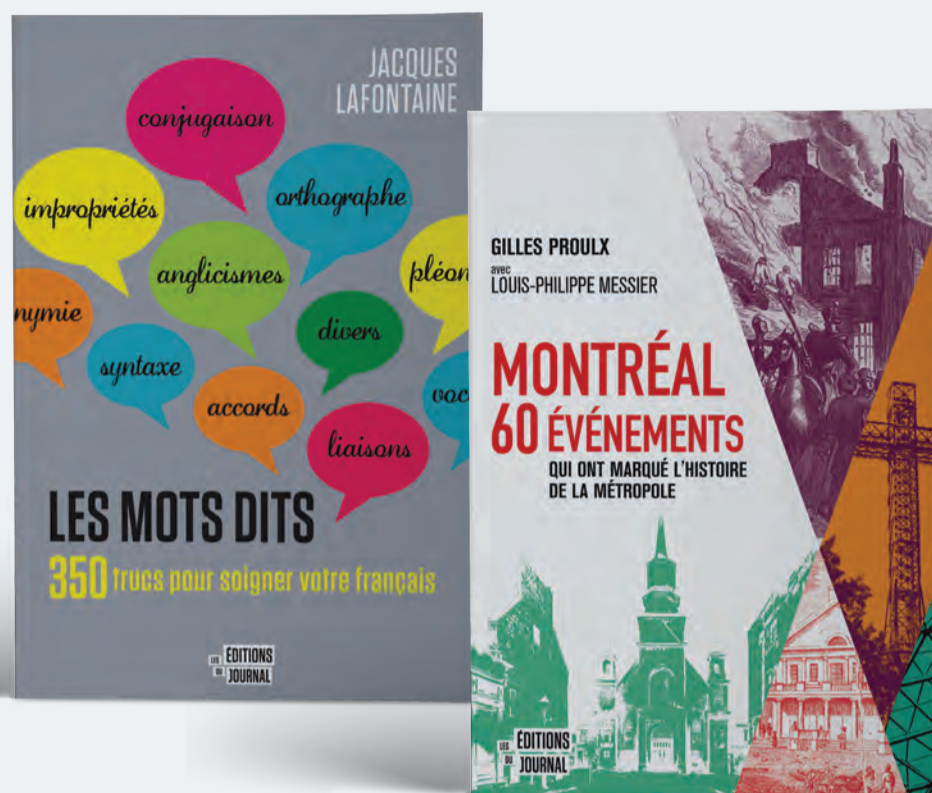


Éditions de l'Hexagone, one of Québec's few publishers of poetry, released three poetry collections, including *Boîte d'images* by Denise Boucher, as well as *Conversations sur le visible – Entretiens avec Gilles Noël* by Michel Brault. Geneviève Boudreault's *Le regard est une longue montée* was a finalist for the Prix Alain-Grandbois, awarded by the Académie des lettres du Québec, while independent literature and art history researcher Richard Foisy received the Prix Richard-Arès for *Un poète et son double : Jean Narrache – Émile Coderre* and the Prix des Dix for his entire body of work.

In keeping with its mission of offering young readers books of aesthetic and literary merit, Éditions de La Bagnole published, among others, *Deux garçons et un secret*, a tender picture book by Andrée Poulin and Marie Lafrance, *Même pas vrai* by Larry Tremblay and Guillaume Perreault, *La doudou qui ne sentait pas bon* by Claudia Larochelle and Maira Chiodi, *La belle histoire d'une vieille chose* by Louis Émond and Steve Adams, and *La main*, a Guy de Maupassant short story adapted and illustrated by Fabrice Boulanger.

Les éditions du Journal released *Les mots dits – 350 trucs pour soigner votre français* by linguist Jacques Lafontaine, *Promenades historiques à Montréal*, edited by Jean-François Leclerc and published in collaboration with the *Centre d'histoire de Montréal*, and *Montréal : 60 événements qui ont marqué l'histoire de la métropole* by Gilles Proulx and Jean-Philippe Messier.

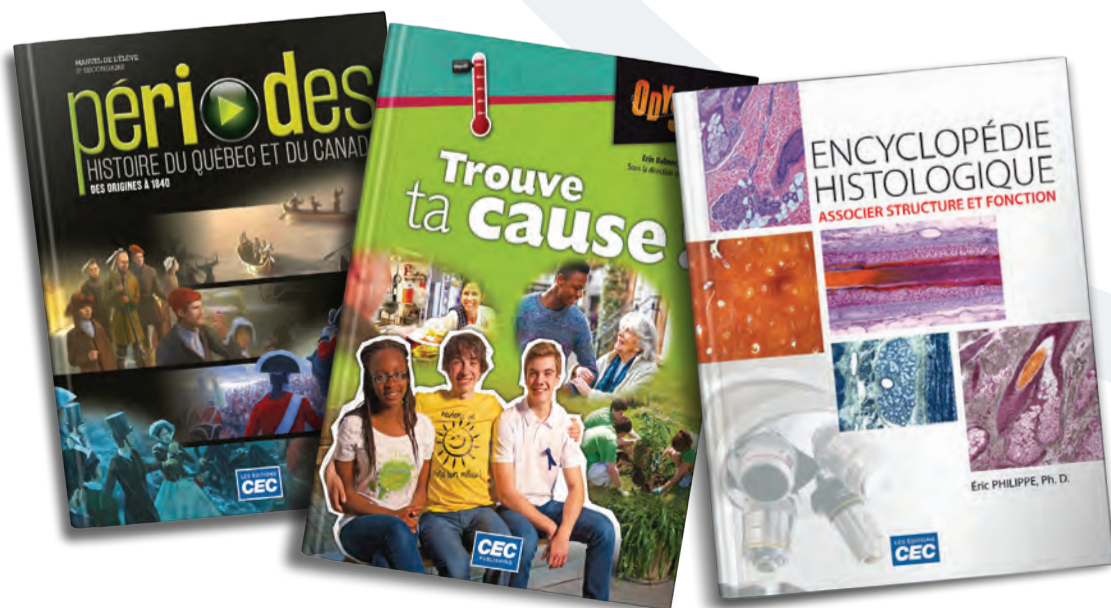
TYPO issued a number of reprints in order to maintain a rich and diverse catalogue, as well as a new edition of *Les demi-civilisés* by Jean-Charles Harvey with a new postscript by scholar Guildo Rousseau, and *La gifle* by Roxanne Bouchard.



## CEC PUBLISHING INC.

In 2016, the year of its 60th anniversary, CEC Publishing released the *Périodes* collection, designed for the Grade 9 and 10 Québec and Canadian history curriculum. The textbooks are complemented by high-quality digital materials for teachers and students. *Odyssée*, a French-as-a-second-language collection developed for the Ontario market, was off to a strong start and was adopted by several school boards.

At the university level, CEC Publishing is proud that its *Encyclopédie histologique - Associer structure et fonction* by Dr. Éric Philippe received the Université Laval's Prix d'excellence en enseignement in 2016 in the textbook category.



### Messageries

A.D.P. inc.:

Every book finds its reader

Guided by the motto "Every book finds its reader," Messageries A.D.P. recorded sales of more than 5.9 million copies of more than 42,000 titles (novels, cookbooks, graphic novels, textbooks) in 2016. It bolstered its position as Canada's largest distributor of French-language books by adding the prestigious Albin Michel publishing house to its digital portfolio, bringing the total number of titles in its digital catalogue to 7,670.

# MUSIC

## MUSICOR

Musicor entrenched its position as a player that counts in Québec's music and entertainment industry by launching 11 album projects, 3 more than in 2015, and picking up 8 nominations and 2 wins at the ADISQ Félix awards.

Several bright new stars were added to the Musicor firmament during the year, including Mélissa Ouimet and Alexe Gaudreault, who both released self-titled first albums. The song *Placebo*, co-written by Alexe Gaudreault, Mariane Cossette-Bacon and Jonathan Nathaniel, became an instant hit, rising to the top of the BDS charts in the fall and staying there for seven weeks. The album won two SOCAN awards, a rare achievement for a first effort.

Musicor also released three albums from well-established artists: *Regarde autour* from Bruno Pelletier, *La route infinie* from Marie-Ève Janvier and Jean-François Breau, and *Les incontournables* from Irvin Blais. Three other artists – Sally Folk, Annie Villeneuve and 2016 *La Voix* finalist Yvan Pedneault – are set to release albums on the Musicor label in 2017.

The Ste-4 Musique label for emerging artists celebrated its 4th anniversary with 4 new releases: *No Return* from Mentana; *Ricochets* from Joseph Edgar; *Tout le monde veut jouer avec Pépé* from Pépé and his guitar; and *Fuego* from Caravane. Albums from two other up-and-coming artists, Maritza, and Clay and Friends, are forthcoming.



*Marie-Ève Janvier et Jean-François Breau*

## Musicor at the ADISQ awards

### Félix award winners

- ▶ Brigitte Boisjoli, cover album of the year for *Hommage à Patsy Cline*
- ▶ Marie-Mai, female vocalist of the year for *M.*

### Other nominations

- ▶ Laurence Jalbert, female vocalist of the year and folk album of the year for *Ma route*
- ▶ Rémi Chassé, new artist of the year and rock album of the year for *Debout dans l'ombre*
- ▶ Yves Lambert, with SoCalled, traditional album of the year for *Lambert dans ses bottines*
- ▶ Various artists, cover album of the year for *Forever Gentlemen*



## DISTRIBUTION SELECT

The numbers tell the story: Distribution Select remained Canada's largest independent distributor in 2016 with 46% of the French-language market in Québec and 17.5% of the market for all its products sold in Québec. The two sets of content in its catalogue of 8,200 audio titles and 1,740 video titles from leading artists offer Quebecor and its various audiences attractive opportunities for convergence.


Distribution Select did not rest on its laurels in 2016: it signed 47 new distribution agreements with, among others, Sphère Musique, Gestion Son et Image (GSI), Gestion Patrick Norman and US-based Alliance Entertainment/Amped, and renewed 10 agreements that expired during the year.

It also released 722 new audio titles and 192 video titles. Twelve titles published by Québec producers and distributed by Distribution Select placed on the Nielsen SoundScan list of the 200 best-selling Canadian titles, a telling indication of its distribution network's effectiveness.

After the discontinuation of DEP's operations at the beginning of 2017, 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.

Distribution Select added to its roster of best-selling albums certified by Music Canada: a diamond certification for Adele's *25* album; platinum certifications for the *Nous autres* album from the 2Frères duo, the *Yoan Live au Centre Vidéotron* DVD and the *La Voix* album; and gold for the *Les grandes artères* album from Louis-Jean Cormier.





Distribution Select continued developing its network by adding 96 non-traditional points of sale, increasing its customer list to 682 in Québec, including 500 non-traditional retailers for which Distribution Select is the exclusive distributor.

In the digital space, an agreement with Merlin enabled Select Digital to expand its network's reach by adding the Pandora, Pulselocker and Shazam platforms. Select Digital also provided producers and labels with technical and strategic support for their comprehensive digital strategies, helping them optimize and monetize the performance of their video content. The result was a near-300% increase (compared with 2015) in the number of streamed tracks and an 80% increase in streaming revenues, largely offsetting the decrease in revenues from downloads.



**QUEBECOR  
CONTENT**

# CONTENT

Quebecor Content's mission is to create, develop, acquire, distribute and export distinctive, high-quality audio-visual content, providing consumers with an extraordinary multi-platform experience and promoting Quebec artists at home and abroad – a highly strategic mission at a time when content is a key differentiator. This is a line of business with a bright future. 2016 was a productive year on all those fronts: Quebecor Content drew on its competencies and vision to collaborate with creators and producers in the development of content as well as the creation of new brands.

Quebecor Content demonstrated its ability to support creators and producers from step 1 and through every stage of the process of developing original series. It also applied its creativity to optimizing the development and launch of new brands and delivering the best viewing experience on a given platform. Examples include the presentation of *Blue Moon*, first on illico and then on addikTV, and the screening of *L'imposteur* on TVA. Lastly, Quebecor Content provided welcome strategic support for the adaptation of prominent formats such as *La Voix Junior*.

*La Voix Junior*





## ACQUISITIONS

What do DHX Media, Endemol Shine International, NBCUniversal, Disney, Fox, Paramount, Scripps Networks, Discovery International, Les Films Séville, Viacom and Warner have in common? These audiovisual production industry leaders are all companies with which Quebecor Content signed major contracts in 2016 to acquire or access content prized by global audiences.

That content can be seen on TVA Network, TVA Group's specialty channels and Club illico. It includes Québec films such as *1:54*, *Le Trip à trois* and *Innocence*.

## DEVELOPMENT

As a result of sustained collaboration between Quebecor Content and Armoza, a number of programs broadcast on TVA attracted attention on international markets, including the format for the reality show *Vol 920*, which was sold to the Italian channel Italia Uno and adapted under the title *Flight 616*. Options on the format were also sold in France and Spain.

After its resounding success in Québec, where it was initially broadcast on Club illico, the drama series *Karl & Max* was sold to TV5 Monde, while the show *Le Tricheur* was picked up in Russia. An option on the variety format *Sur invitation seulement* was sold in Spain, and an option on the variety format *Faites comme chez vous* was sold in Germany.



*Karl & Max*





**SPORTS AND  
ENTERTAINMENT  
GROUP**



*Céline Dion*

## VIDEOTRON CENTRE

The Videotron Centre celebrated its first birthday in September 2016, closing out a year packed with sporting, cultural and family events. The venue became a hub of world-class entertainment and events: more than 1.1 million of spectators passed through the turnstiles to attend 93 concerts and sports events, as well as 30 corporate events. Nearly 30% of visitors came from outside the Québec City metropolitan area, generating significant economic benefits for the city.

As the home of the Remparts de Québec, the Videotron Centre hosted 34 regular season games in 2015-2016 and two Québec Major Junior Hockey League (QMJHL) playoff games. The sports community has embraced the top-tier venue: when he was in Québec City for a pre-World Cup of Hockey exhibition game in September, NHL Deputy Commissioner Bill Daly came away impressed and described the Videotron Centre as one of the best arenas in North America.

On the concert side, artists such as Metallica, Muse, Rihanna, Pearl Jam, Justin Bieber, Bryan Adams and Charles Aznavour performed on the Videotron Centre stage. In August, Céline Dion gave a series of five sold-out concerts.

The authoritative concert industry news source Pollstar ranked the Videotron Centre as the fifth busiest arena in Canada, after arenas in centres such as Toronto, Vancouver and Montréal. The impressive 96% spectator satisfaction rate confirms that the major, well-respected multipurpose venue is highly appreciated by audiences.





FIS Cross-Country World Cup tour

## EVENT MANAGEMENT

2016 was a crowd-pleasing year for Event Management GesteV Inc. (GesteV), which specializes in organizing large-scale sporting and cultural events.

When Céline Dion played the Videotron Centre, GesteV organized a “welcome Céline” event in Place Jean-Béliveau, overlooking the arena. More than 5,000 Céline fans came to express their affection for the singer and a lucky few were able to take selfies with their idol.

It was a busy summer at the renowned Baie de Beauport recreation and tourism site, managed by GesteV. The British band Mumford & Sons gave an outdoor concert at the venue and, in an historic milestone, the St. Lawrence River was reopened to swimming after a 50-year hiatus, complementing the multitude of other activities available at the site, such as windsurfing, catamaraning, kitesurfing and kayaking.

GesteV also moved into the increasingly popular sport of running with the SSQ Québec City Marathon and five other events on the Run Québec City circuit. Fans of snowboarding and freestyle skiing enjoyed the Jamboree at Stoneham for the 11th consecutive year. Sporting events presented by GesteV in 2016 also included the three Québec stops on the FIS Cross-Country World Cup tour (in Gatineau, Montréal and Québec City), the UCI Mountain Bike World Cup at Mont Sainte-Anne, and the festivities surrounding the start and finish of the Transat Québec-Saint-Malo, the oldest trans-Atlantic race in the world.







## HOCKEY

The Remparts de Québec and the Armada de Blainville-Boisbriand, both owned by Quebecor, did their fans proud in 2016. The Remparts, a Québec City institution, set a new attendance record in 2015-2016 by drawing more than 470,000 spectators over the course of the season, an achievement not only for the QMJHL but also for Canadian junior hockey.

The 2016-2017 season, which began in September, is the 20th anniversary of the Remparts' return to Québec City. To mark the occasion, numbers 12 and 7, originally worn by André Savard and Guy Chouinard, members of the team's first generation, were retired.

The Salon des Anciens Remparts, a lounge for Remparts veterans which was opened at the beginning of the 2016-2017 season, also recognizes the former players' contributions.

Meanwhile, in a major first-round upset in the 2016 QMJHL playoffs, the Armada de Blainville-Boisbriand eliminated the Foreurs de Val-d'Or, a team that had finished the regular season 40 points ahead of them. A number of new features were introduced to enhance the fan experience at Armada games and build excitement, including theme nights, a camera trained on the stands to capture fan reactions, and the creation of the Armaniacs fan club.

*Armada de Blainville-Boisbriand*



*Remparts de Québec*

A blue-tinted photograph showing a pair of hands. One hand is holding a small green seedling with two leaves. A single water droplet is falling from the index finger of the other hand, positioned just above the seedling. The background is a soft-focus landscape with a field of crops. A white circular graphic element is overlaid on the lower-left portion of the image, containing the text.

**CORPORATE  
SOCIAL  
RESPONSIBILITY**

## OUR EMPLOYEES

In 2016, Quebecor built on its increasingly convergent corporate culture and embedded the approach even more deeply at all its subsidiaries.

Several initiatives were launched with a view to intensifying inter-group collaboration and uniting all efforts around common goals. Quebecor conducted a rigorous analysis of technological support for harmonization, communications, and for sharing internal best practices among teams.

In the coming year, after the phasing-in of a collaborative new cloud computing platform, various groups will be linked on a network and have access to many functions that facilitate cohesiveness and teamwork.

In line with its commitment to improving both the employee experience and its human resource data-mining capabilities, Quebecor conducted an analysis of its needs and of the market with a view to acquiring a unified, innovative Human Resource Management System (HRMS). The selected solution, which will be installed at all subsidiaries starting in the spring of 2017, is expected to provide Quebecor with a competitive advantage. Among other things, it will support management operations and decision-making, increase the effectiveness of program planning and implementation, accelerate talent development, enable faster processing of better quality data, and provide self-serve access to real-time information.

The Corporation also continued developing its flexible approach to performance management, implementation of which began in 2015. The modern system is tailored to the current business environment and based on ongoing employee contact and feedback. As well, Quebecor updated its executive compensation program to focus the efforts of employees in all groups on the achievement of convergent medium- and long-term objectives.



Quebecor recognizes the importance of promoting health and well-being in the workplace so its employees can fully contribute to the achievement of the Corporation's business objectives. To this end, Quebecor launched a process to develop a structured corporate-wide health and well-being program. Some activities have already begun, such as the consolidation of work-injury prevention efforts: 23 prevention mutual groups gradually joined the program in 2015 and 2016.

All these initiatives pursue the common goal of improving employee wellness. Quebecor is well aware that its success is rooted in the talents of its people and is therefore committed to providing a stimulating, dynamic work environment in which each person's strengths and abilities are valued. As diversity enriches our entire society, the Corporation is also committed to creating an inclusive, fair, equal-opportunity workplace for all, regardless of age, gender, culture, religion, disability or sexual orientation. The Corporation operates in a fast-changing marketplace in which talent acquisition must be an ongoing concern.

**Numerous initiatives designed to increase engagement among Quebecor's 10,100 employees were carried out in 2016:**

**Media Group**

- ▶ Creation of an HR single window
- ▶ Harmonization of working conditions across subsidiaries
- ▶ Creation of an employment equity committee and provision of training to its members

**Telecom Group**

- ▶ Development of an employee engagement strategy to promote strategic alignment, productivity and performance
- ▶ Introduction of a new leadership development program for managers
- ▶ Shift in approach to talent acquisition from accepting applications to a more proactive model

**Sports and Entertainment Group**

- ▶ Harmonization of some working conditions
- ▶ Revision of organizational structure to more effectively address global challenges
- ▶ Enhancement of synergies and collaboration within the Group

## *Quebecor pursues its mission through five key behaviours*

- > Performance*
- > Innovation and creativity*
- > Customer focus*
- > Agility*
- > Teamwork*



# THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Every year, for the past two decades, Quebecor takes a multitude of concrete actions that translate its environmental commitment into practice. 2016 was no exception as the Corporation continued its initiatives to reduce the environmental impact of its operations.

## Greenhouse gas reduction and energy efficiency

As part of the Carbon Disclosure Project since 2011, Quebecor has made a concerted effort to reduce its greenhouse gas emissions. According to its latest carbon report, Quebecor's footprint was nearly 15,700 tonnes of carbon dioxide equivalent in 2015, a 35% reduction since 2012 due mainly to asset sales. Quebecor's energy efficiency policy and action plan have also given rise to the following initiatives: installation of eight electric charging stations, energy efficiency projects at nine sites, creation of an energy efficiency committee, and development of an energy efficiency best practices guide. For almost 10 years, Quebecor's head office has had one of the highest green roofs in Québec.

## Recycling to make a difference

Responsible management of electronic wastes can have a tangible positive impact on the environment. Since 2012, Videotron's *On recycle* program has diverted more than two million small electronic devices from landfill sites. Consumers who cannot go to a Videotron or Le SuperClub Vidéotron location can now mail in their devices for recycling.

In collaboration with Service d'intégration au travail-Mauricie, a community-based organization, Videotron's *2<sup>e</sup> vie* program supports responsible management of electronic wastes produced by telecommunications network maintenance and upgrades, while helping people living with mental health challenges enter the job market. Quebecor also disposes of computer hardware, cables and reels, wood pallets, plastic, glass, paper, cardboard, metal, office furniture and printer cartridges in an environmentally friendly manner.



**ON  
RECYCLE**  
UNE FIN HEUREUSE POUR  
VOS APPAREILS ÉLECTRONIQUES



PARK(ing) Day

## Responsible sourcing

Quebecor has started incorporating sustainable development criteria into its calls for tenders and factoring them into its goods and services procurement processes.

The Corporation favours recycled paper containing 100% post-consumer fibres for the printing of its black-and-white books (428 tonnes of paper purchased in 2016), and Forest Stewardship Council™-certified environmentally responsible paper for most of its magazines (6,541 tonnes of paper in 2016).

Quebecor's commitment to the environment is also reflected in small daily acts such as the use of stationery made of 100% post-consumer recycled paper, the use of ecological cleaning products, and the use of recyclable or compostable cups and plates at the Videotron Centre.

## Creative initiatives

As a proud official partner of the *375,000 Trees* program, Quebecor continues to support Jour de la Terre Québec with financial assistance and a large-scale promotional campaign across all its media properties. In 2016, 250 trees were planted under the partnership on land owned by *Le Journal de Montréal* and MELS thanks to employee participation.

Quebecor joined the worldwide *PARK(ing) Day* movement, an international event in which parking spots are temporarily transformed into green, artistic, user-friendly spaces, an invitation to imagine new uses for urban spaces in a city of the future with fewer cars. On the transit front, Quebecor was rewarded for its various sustainable transportation initiatives by Voyagez Futé.

Equally committed to the environment, Gestev applies responsible event management practices certified under Bureau de normalisation du Québec (BNQ) Standard 9700-253. Four of the events it organized in 2016 were classified Level 2 under BNQ 9700-253, a benchmark for responsible waste management, greenhouse gas reduction, local sourcing, the management of materials, energy and water, and food selection. In addition to meeting the standard, Gestev incorporates community engagement, participant education, volunteering, and support for the local economy into its events. The Vélirium, Ski Tour Canada, the Jamboree, the Transat Québec-Saint-Malo race and Quebecor's Annual General Meeting were among the environmentally responsible events organized by Gestev in 2016.





*Grand défi Pierre Lavoie*

## PARTNERING WITH THE COMMUNITY

Community engagement is a longstanding tradition at Quebecor, one rooted in the profoundly humanistic thinking and values of its founder, the late Pierre Péladeau. He was a businessman and philanthropist who believed strongly that a business that received much from the community should give something back.

Year after year, informed by this philosophy, Quebecor strives to provide the most helpful and constructive possible support to more than 400 organizations and events that contribute in one way or another to making life better for Quebecers.

There is no lack of worthwhile causes, especially at this time when Québec is facing major social, environmental, economic and other challenges. Quebecor's approach to giving is focused on actions that make a difference for the future of Québec society. In 2016, the value of its philanthropic commitments totalled \$42.7 million, or 2.9% of the Corporation's EBITDA.

Quebecor concentrates its giving in the following areas: first and foremost culture, which is at the centre of the Corporation's vision and to which it devotes nearly half of its financial assistance, entrepreneurship, education, youth, community support, amateur sport, the environment, and health and medical research. These pieces fit together to form a picture of a dynamic, healthy society that has the tools to grow, develop and engage with the world.

Quebecor provides enthusiastic and steadfast support to a panoply of organizations that work in various ways to enable our fellow citizens to aspire to a better quality of life. Here are a few of examples.

## Culture

It would be unthinkable to deny culture our wholehearted support. Culture is a people's soul: it is what makes us human, the reflection of our identity and aspirations. And culture is a meeting place for all societies and hence a way to grow.

- ▶ Segal Centre for Performing Arts
- ▶ École nationale de l'humour
- ▶ Éléphant : mémoire du cinéma québécois
- ▶ Espace Félix-Leclerc
- ▶ Festival de la chanson de Tadoussac
- ▶ Festival de la Poutine de Drummondville
- ▶ Festival de musique émergente d'Abitibi-Témiscamingue
- ▶ Festival international de la Poésie de Trois-Rivières
- ▶ First People's Festival
- ▶ Festival en chanson de Petite-Vallée
- ▶ Festival Vue sur la relève des arts de la scène
- ▶ Fête de la Musique de Tremblant
- ▶ Musée national des beaux-arts du Québec
- ▶ Pointe-à-Callière, Montréal Archeology and History Complex (Fort Ville-Marie – Quebecor Pavilion)
- ▶ Prix de la danse de Montréal
- ▶ Société pour l'avancement de la chanson d'expression française (SACEF)
- ▶ Théâtre du Rideau Vert
- ▶ Théâtre La Bordée
- ▶ Wapikoni mobile



## Youth

It is a truism that young people are our future. There can be no more compelling reason to make sure they have the support and the tools they need to realize their potential and become productive members of society.

- ▶ L'Ancre des jeunes
- ▶ Fondation Madeli-Aide
- ▶ Fondation maman Dion
- ▶ Fondation Père Sablon
- ▶ Jeunes musiciens du monde
- ▶ La Maison Kekpart
- ▶ Motivation Jeunesse
- ▶ Refuge des jeunes de Montréal

## Education

Because education is one of the pillars on which a society is built, Quebecor believes it has a responsibility as a corporate citizen to support this vitally important sector.

- ▶ Collège François-de-Laval
- ▶ École de technologie supérieure
- ▶ École Joseph-François-Perrault
- ▶ Éducaide
- ▶ Fondation Asselin du Cégep de Jonquière
- ▶ Fondation du Cégep Limoilou
- ▶ Fondation Héros de tous les jours
- ▶ Fondation pour l'encouragement scolaire
- ▶ La Fondation du Salésien de Sherbrooke





## Entrepreneurship

Some observers are concerned about the future of entrepreneurship in Québec, an important issue given that Québec's economy is based in large part on small and medium-sized businesses. Quebecor therefore makes it a point of honour to participate, along with many other players, in efforts to interest young people in entrepreneurship.

- ▶ Pierre Péladeau Bursaries
- ▶ C2 Montréal
- ▶ OSEntreprendre Challenge
- ▶ Fondation de l'entrepreneurship
- ▶ Fondation Montréal inc.
- ▶ Le Centre d'Aide aux Entreprises Haute-Yamaska et région
- ▶ Notman House

## Community support

Many of our fellow citizens need a helping hand for a little while or longer in order to cope with life's challenges. Because solidarity is a core value it shares with Quebecers, Quebecor supports organizations that aid those who need it most.

- ▶ Le Chaînon
- ▶ L'itinéraire
- ▶ Fondation Centre Philou
- ▶ Dans la rue
- ▶ Les Patros
- ▶ Fondation Martin-Matte
- ▶ Regroupement des Magasins-Partage de l'île de Montréal

## Amateur sport

Sport is part of a healthy lifestyle and much more: a source of inspiration and motivation, a challenge. This is why Quebecor supports one of Québec's greatest athletes and various sports organizations and events that encourage us to test our limits.

- ▶ Alex Harvey, Québec cross-country skier
- ▶ Centre National d'Entraînement Pierre-Harvey
- ▶ Club de la médaille d'or
- ▶ Grand défi Pierre Lavoie
- ▶ Granfondo Garneau Québecor
- ▶ Cross-Country World Cup
- ▶ Québec Special Olympics

## Health and medical research

Health means medical research and all the people who devote their efforts to finding ways to prevent or treat disease. It also means providing the best possible care and comfort at the end of life.

- ▶ CHU Ste-Justine Foundation
- ▶ Fondation Institut de gériatrie de Montréal
- ▶ Institut universitaire de cardiologie et de pneumologie de Québec Foundation
- ▶ Maison de Soins Palliatifs de Laval
- ▶ Nez pour vivre
- ▶ Opération Enfant Soleil

*Granfondo Garneau Québecor*



# BOARD OF DIRECTORS AND OFFICERS OF QUEBECOR INC.\*

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**Pierre Dion**

Chair of the Board,  
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**Christian Dubé**

Executive Vice President, Québec,  
Caisse de dépôt et placement du Québec

**Jean La Couture**, FCPA, FCA <sup>1</sup>

Vice Chair of the Board,  
Quebecor Inc. and Quebecor Media Inc., and  
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Huis Clos Itée

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Chair of the Board,  
TVA Group Inc., and  
Corporate Director

**Geneviève Marcon** <sup>2</sup>

President,  
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**Robert Paré**

Senior Partner,  
Fasken Martineau DuMoulin LLP

**Érik Péladeau**

President,  
Groupe Lelys inc.

**Normand Provost** <sup>1</sup>

Corporate Director

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**Jean La Couture**

Vice Chair of the Board

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Senior Vice President, Chief Legal Affairs  
and Public Affairs, and  
Secretary

**Sylvain Bergeron**

Vice President, Taxation

**Chloé Poirier**

Vice President and Treasurer

**Denis Sabourin**

Vice President and Corporate Controller

**Dominique Poulin-Gouin**

Assistant Secretary

**Sophie Riendeau**

Assistant Secretary

<sup>1</sup> Member of the Audit Committee

<sup>2</sup> Member of the Human Resources and Corporate Governance Committee

\* As of May 11, 2017

# BOARD OF DIRECTORS AND MANAGEMENT COMMITTEE OF QUEBECOR MEDIA INC.\*

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### **Normand Provost** <sup>1,3</sup>

Corporate Director

## MANAGEMENT COMMITTEE

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President and Chief Executive Officer

### **Pierre Dion**

Chair of the Board

### **Manon Brouillette**

President and Chief Executive Officer,  
Videotron Ltd.

### **Julie Tremblay**

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### **Christian Jetté**

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President & General Manager,  
CEC Publishing Inc.

### **Anne Vivien**

Executive Vice President,  
Music Development,  
Quebecor Media Group

<sup>1</sup> Member of the Audit Committee

<sup>2</sup> Member of the Human Resources and Corporate Governance Committee

<sup>3</sup> Member of the Executive Committee

\* As of May 11, 2017