



Auction for Advanced-Wireless Frequencies
Consumers Benefit from Competition
Without More Frequencies for Incumbents

MONTREAL, June 27, 2007 – Canadian consumers will soon have a last chance to catch up with other industrialized countries in advanced wireless services and benefit from rates determined by market forces, rather than the financial objectives of the oligopoly that controls the national industry.

To develop this opportunity and have real competition in the Canadian mobile services market, a protected market, the government should take measures to prevent the three large, current providers of wireless services from snapping up all the frequencies that will be put up for auction in the coming months.

This is the message that Quebecor Media Inc. (QMI) sent today to Industry Canada in the company's response to comments on briefs submitted by the parties to the minister on May 25.

Allow New Players

The three main Canadian mobile telecommunications companies now have more spectrum than they need to serve their customers and supply advanced broadband mobile services. As an illustration, the three companies have an average of 60 MHz of spectrum to serve 1.1 million people in the Ottawa region, while six U.S. providers have an average of 45 MHz to serve 19 million people in New York City.

“The three main Canadian telecommunications companies have absolutely no need for more mobile frequencies,” said Luc Lavoie, Executive Vice-President of Quebecor Inc. “Their stranglehold on the Canadian market already has dramatic consequences and consumers and the national economy are paying the price. This is precisely why part of the spectrum that will be put up for auction should be reserved for new companies. This condition is essential for true wireless competition to emerge in Canada.”

Canadian Wireless Services: Too Little, Too Pricey

Canada is currently ranked last in the OECD countries for the penetration rate of mobile services. Investments in mobile telecommunication networks also have stagnated for years, which prevents this sector from being a catalyst in the economy, contributing to GDP growth. Rates for wireless service are considerably higher in Canada than in the United States, for both voice and data services, limiting productivity.

For example, while a Canadian customer pays an average of \$34 a month for a 188-minute plan, the American consumer gets more than twice as much air time – 400 minutes – for only \$2 more per month. While it costs less than \$600 to transmit 400 megabytes of data in the U.S., the bill in Canada ranges from more than \$800 to \$1,600.

QMI: Ready to Invest \$500 Million

“Canadians cannot accept the current pace of development of broadband mobile services which is slower than in other industrialized countries. The fundamental need to improve Canada’s productivity as well as the future of Canadian culture and its reach are at stake in the current debate. For this reason, we are committing to make a capital investment of more than \$500 million to build a 3G network in Quebec with the latest technologies,” said Mr. Lavoie.

Anticipating that the current wireless providers will unite to oppose any measure that encourages competition on their turf, Mr. Lavoie noted that other governments, notably in the United Kingdom, have faced similar pressures from established mobile companies but have persevered.

“The arrival of new telecommunications companies, along with more competition to benefit consumers, in the mobile services area in Canada are the real issues in the coming auction. Rules must be put in place to meet these objectives. We believe that the government of Canada should respond now, before it is too late, to this invitation to act,” said Mr. Lavoie.

About Quebecor Media

Quebecor Media is a wholly-owned subsidiary of Quebecor Inc. (TSX:QBR.A, QBR.B; TSX), a communications company with operations in North America, Europe, Latin America and Asia. Quebecor Media owns operating companies in numerous media related businesses: Videotron Ltd., the largest cable operator in Québec and a major Internet Service Provider and provider of telephone and business telecommunications services; Sun Media Corporation, the largest newspaper chain in Québec and the second largest in Canada; TVA Group Inc., operator of the largest French-language over-the-air television network in Québec, a number of specialty channels, and the English-language over-the-air station Sun TV; Canoe Inc., operator of a network of English-and French-language Internet properties in Canada; Nurun Inc., a major interactive technologies and communications agency with offices in Canada, and the United States, Europe and Asia;

companies engaged in book publishing and magazine publishing; and companies engaged in the production, distribution and retailing of cultural products, namely Archambault Group Inc., the largest chain of music stores in eastern Canada, TVA Films, and LeSuperClub Vidéotron ltée, a chain of video and video game rental and retail stores.

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