



QUEBECOR INC.

Annual Information Form

Year ended December 31, 2004

March 31, 2005

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GENERAL INFORMATION

The following abbreviations are used throughout this actual annual information.

Denomination	Abbreviation
Archambault Group Inc.	“Archambault Group”
Canoe Inc.	“Canoe”
Group TVA Inc.	“Group TVA”
Nurun Inc.	“Nurun”
Quebecor Inc.	“Company”
Quebecor Media Inc.	“Quebecor Media”
Quebecor World Inc.	“Quebecor World”
Sun Media Corporation	“Sun Media”
The Company, its subsidiaries and divisions	“Quebecor”
TVA Publishing Inc.	“TVA Publishing”
TVA Publishing II Inc.	“TVA Publishing II”
Vidéotron Ltd	“Vidéotron”
Le SuperClub Vidéotron Ltée	“SuperClub Vidéotron”
Videotron Telecom Ltd	“Videotron Telecom ”

ITEM 1 OUR COMPANY

The Company was incorporated under Part 1 of the *Companies Act* (Québec) by letters patent dated January 8, 1965 and was continued under Part 1A of the *Companies Act* (Québec) by certificate of continuance dated June 6, 1983.

Quebecor is a communications company with operations in North America, Europe, Latin America and India. The Company operates through its two subsidiaries, Quebecor World and Quebecor Media, in the following eight segments: 1) Printing, 2) Cable Television, 3) Newspapers, 4) Broadcasting, 5) Leisure and Entertainment, 6) Business Telecommunications, 7) Interactive Technologies and Communications and 8) Internet/Portals.

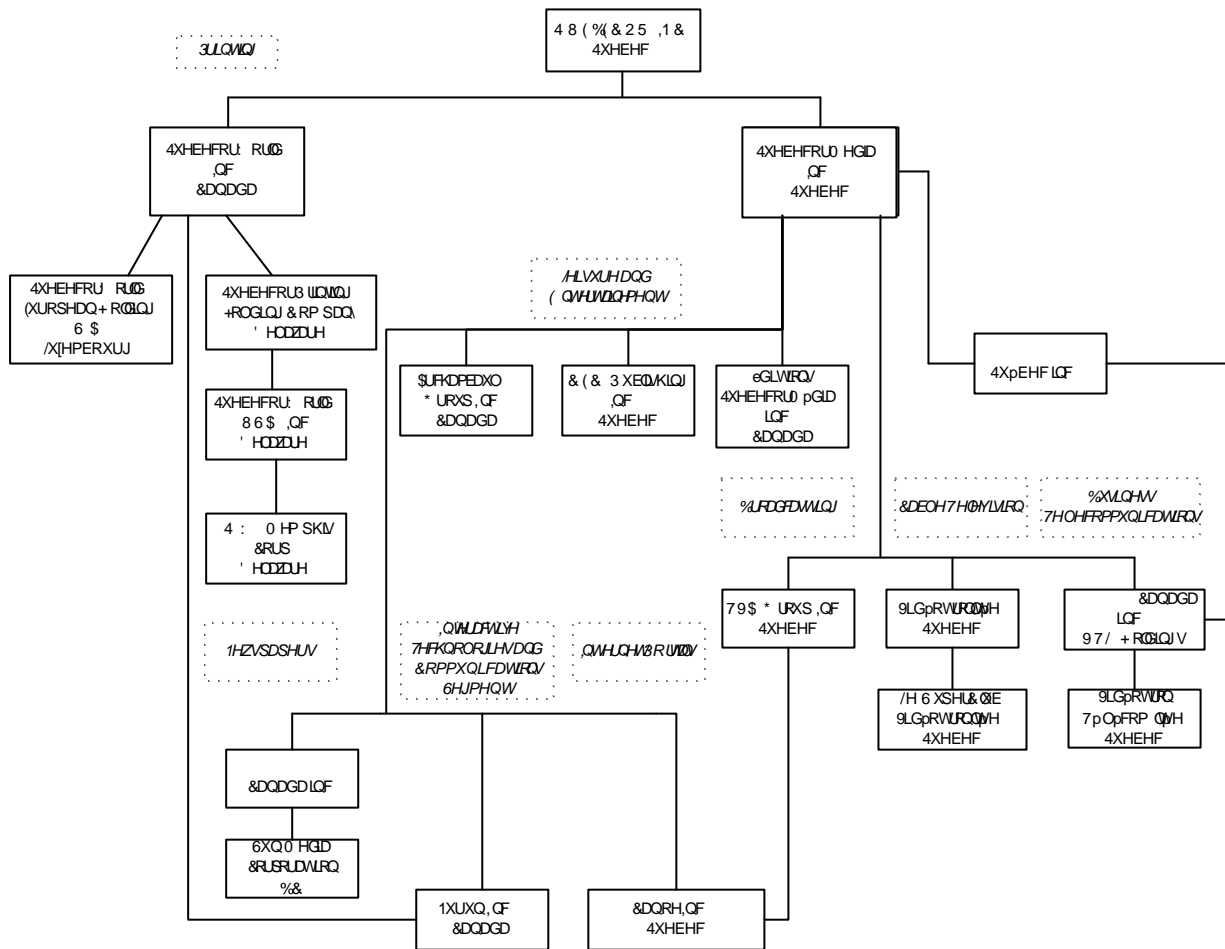
Quebecor holds, directly or indirectly, controlling interests in three publicly held corporations: Quebecor World, Nurun and TVA Group.

Quebecor World is one of largest commercial print media services companies in the world. Quebecor Media, through its subsidiary Vidéotron, is the largest cable operator in Québec and a major Internet Service Provider. Sun Media, Quebecor Media's subsidiary is the largest national chain of tabloids and community newspapers in Canada. In the broadcasting industry, the Company's subsidiary, TVA Group, is the largest television broadcaster and the largest private producer of French-language television programming in North America. The Company operates through Canoe the CANOE network of Internet portals. Another subsidiary, Nurun, is a leading Internet agency in Canada and Europe. Quebecor Media is also engaged in book publishing in the academic, literary and general literature categories and in production, distribution and retailing of cultural products through Archambault Group, the largest chain of music stores in Eastern Canada, and through Vidéotron SuperClub chain of video and games rental and retail stores. The Company is also active in the business telecommunications industry through Vidéotron; the later allied to Videotron Telecom, now offers a telephony service using Voice Over IP ("Internet Protocol").

The Company's head office is located at 612 Saint-Jacques Street, Montréal, Québec, Canada H3C 4M8. The telephone number is (514) 380-1973 and the fax number is (514) 380-6097. The Company's Web site address is www.quebecor.com. The information found on the Company's Web site is, however, not part of this Annual Information Form.

1.1 OUR SUBSIDIARIES

The following organizational chart shows the principal subsidiaries of the Company as at December 31, 2004 by industry segment, place of incorporation or continuation, and percentage of voting rights held directly or indirectly by the Company. Certain subsidiaries whose total assets did not represent more than 10% of the consolidated assets of the Company or whose sales and operating revenues did not represent more than 10% of the consolidated sales and operating revenues of the Company as at December 31, 2004, have been omitted. The subsidiaries that have been omitted represented, as a group, less than 20% of the consolidated assets of the Company and less than 20% of the consolidated sales and operating revenues of the Company as at December 31, 2004. The subsidiaries identified with an asterisk (*) represent 10% or less of the consolidated assets of the Company or 10% or less of the consolidated sales and operating revenues of the Company as at December 31, 2004. We have included them to give a better understanding of our overall corporate structure.



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ITEM 2 OUR BUSINESS

The following tables provide information on the revenues by industry segment and by geographic segment for the Company's eight continuing industry segments.

	Years ended December 31	
	2004	2003 ⁽¹⁾
	(in millions) ⁽²⁾	
Revenues by industry segment		
Quebecor World		
Printing	\$ 8,596.5	\$8,962.7
Quebecor Media		
Cable Television	871.6	805.0
Newspaper	888.1	845.9
Broadcasting	358.0	340.9
Leisure and Entertainment	241.7	205.0
Business Telecommunications	78.6	77.7
Interactive Technologies and Communications	51.9	44.8
Internet/Portals	34.5	28.2
Head Office	1.8	2.3
Inter-segment	(140.3)	(112.4)
	\$10,982.4	\$11,200.1

	Years ended December 31	
	2004	2003 ⁽¹⁾
	(in millions)	
Revenues by geographic segment		
Revenues generated by:		
Canadian Operations	\$ 3,218.9	\$ 3,505.1
U.S. Operations	5,812.8	5,823.4
European Operations	1,701.1	1,623.1
Latin American Operations	249.7	248.6
Others	(0.1)	(0.1)
	\$10,982.4	\$11,200.1

(1) The Company's financial information in its consolidated financial statements for the preceding fiscal years was restated to reflect the discontinued operation of Mindready Solutions Inc.

(2) Unless otherwise indicated, all amounts are in Canadian dollars.

2.1 PRINTING SEGMENT

Quebecor World is one of the largest commercial print media services companies in the world. It is the market leader in most of its product categories and geographies, a position that has been built through strategic acquisitions, investment in key strategic technologies and a commitment to long-term partnerships with customers. Quebecor World has facilities in 17 countries.

Quebecor World operates in the commercial print media services segment of the Printing industry. Its business units are located in three regions: North America (which has historically accounted for approximately 80% of Quebecor World's revenues), Europe and Latin America.

The information on the Printing Segment contained in the Annual Information Form of Quebecor World, dated March 24, 2005 is incorporated by reference herein and the relevant excerpt is included as Appendix A.

2.2 CABLE TELEVISION SEGMENT

Vidéotron is the largest distributor of pay-television services in the Province of Quebec and the third largest cable operator in Canada based on number of cable customers. Vidéotron's cable network covers approximately 80% of Quebec's 3 million homes passed by cable. Vidéotron's cable licenses include licenses for the Greater Montreal area, the second largest urban area in Canada. The Greater Montreal area represents one of the largest contiguous clusters in Canada and is among the largest in North America as measured by the number of cable customers. This concentration provides Vidéotron with improved operating efficiencies and is a key element in the development and launch of its bundled service offerings. In 2001, Vidéotron substantially completed its network modernization program, which provided Vidéotron with one of the largest bi-directional hybrid fiber coaxial (HFC) networks in North America, with approximately 97% of the systems upgraded to two-way capability, and 74% of its customers served by systems upgraded to 750 MHz.

As of December 31, 2004, Vidéotron had approximately 1.5 million basic cable customers, representing a basic penetration rate of 60.9%. Through its extensive broadband coverage, it also offers digital television and high-speed Internet access services to approximately 97% of its total homes passed. It has rapidly grown its digital customer base in recent years, and at December 31, 2004, Vidéotron had 333,664 digital customers, representing 23.0% of its basic customers and 14% of its total homes passed. Vidéotron has also rapidly grown its high-speed Internet access customer base, and at December 31, 2004, it had 502,630 high-speed Internet access customers, representing 34.6% of its basic customers and 21.1% of its total homes passed. Vidéotron believes that the continued increase in the penetration of its digital television and high-speed Internet access services will result in increased average revenues per customer.

2.2.1 PRODUCTS AND SERVICES

Vidéotron currently offers its customers analog cable television services and programming as well as new and advanced high-bandwidth products and services such as high-speed Internet access, digital television, premium programming, video-on-demand and selected interactive television services. Vidéotron continues to focus on its high-speed Internet access and digital television services, both of which are increasingly desired by customers. With its advanced broadband network, Vidéotron is able to successfully increase penetration of value-added services such as video-on-demand, high definition television, personal video recorders, as well as interactive programming and advertising.

In January 2005, Vidéotron launched a new telephony service in Québec together with its affiliate Videotron Telecom by joining its customer base with Videotron Telecom's telecommunication network and expertise. Vidéotron expects to integrate Videotron Telecom's operations within its own operations in 2005, subject to the approval of the CRTC and its lenders, as well as the satisfactory completion of discussions with its labour unions.

2.2.1.1 Traditional Cable Television Services

Customers subscribing to Vidéotron's traditional analog "basic" and analog "extended basic" services generally receive a line-up of between 49 and 59 channels of television programming, depending on the bandwidth capacity of their local cable system. Customers who pay additional amounts can also subscribe to additional channels, either individually or in packages. For any additional programming, customers must rent or buy a set-top box. Vidéotron tailors its channels to satisfy the specific needs of the different customer segments served.

2.2.1.2 Advanced Products and Services

Cable's high bandwidth is a key factor in the successful delivery of advanced products and services. Several emerging technologies and increasing Internet usage by Vidéotron's customer base have presented it with significant opportunities to expand its sources of revenue. In most of its systems, Vidéotron currently offers a variety of advanced products and services including high-speed Internet access, digital television and selected interactive services. Vidéotron intends to continue to develop and deploy additional services to further broaden its service offering.

? **High-Speed Internet Access.** Leveraging its advanced cable infrastructure, Vidéotron offers high-speed Internet access to its residential customers primarily via cable modems. Vidéotron provides this service at speeds more than 90 times the speed of a conventional telephone modem. As of December 31, 2004, Vidéotron had 502,630 high-speed Internet access customers, representing 34.6% of its basic customers and 21.1% of Vidéotron's total homes passed. In addition, as of December 31, 2004, it had 23,973 dial-up Internet access customers. Based on internal estimates, Vidéotron is the largest provider of high-speed Internet access services in the areas it serves with an estimated market share of 48% as of December 31, 2004.

? **Digital Television.** As part of its network modernization program, Vidéotron has installed head end equipment capable of delivering digitally encoded transmissions to a two-way digital-capable set-top box in the customer's home. This digital connection provides significant advantages. In particular, it increases channel capacity which allows Vidéotron to increase both programming and service offerings while providing increased flexibility in packaging its services. Vidéotron launched its digital television service in March 1999 with the introduction of digital video compression terminals in the Greater Montreal area; it has also introduced the service in other major markets.

In September 2001, Vidéotron launched a new digital service offer under the *illico*TM brand. In addition to providing high quality sound and image, *illico*TM offers Vidéotron's customers significant programming flexibility. Vidéotron's basic digital package includes 24 television channels, 45 audio services providing CD quality music, 14 AM/FM radio channels, an interactive programming guide as well as television-based e-mail capability. Vidéotron's extended digital basic television service, branded as "Self-Service", offers customers the ability to select 100 additional channels of their choice, allowing them to customize their choices among many specialty channels. This service also offers customers significant programming flexibility including the option of French-language only, English-language only or a combination of French and English-language programming. Vidéotron also offers pre-packaged themed service tiers in the areas of news, sports, and discovery. Customers who purchase basic service and one customized package can also purchase channels on an "à la carte" basis at a specified cost per channel per month. As part of Vidéotron's digital service offering, customers can also purchase near-video-on-demand services on a per event basis. Vidéotron's customers currently have the option to purchase or lease the digital set-top boxes required for digital service.

As of December 31, 2004, Vidéotron had over 333,664 customers for its digital television service. Notwithstanding its digital television service, Vidéotron intends to continue to offer analog cable service to its customers.

- ? **Interactive Services** In September 2001, Vidéotron also launched digital interactive services under the "illicoTM Interactive" brand. These services, which combine its digital television and Internet access services, will enable customers equipped with wireless keyboards to access the Internet and send and receive e-mail. In the near future, Vidéotron intends to provide additional functionality including e-commerce. Vidéotron believes interactive services will be increasingly desired by customers, and it intends to continue to develop and deploy advanced products and services to add greater functionality to its interactive services offering.
- ? **Video-on-demand.** Video-on-demand service enables digital cable customers to rent from a library of movies, documentaries and other programming through their digital set-top box. Vidéotron's digital cable customers are able to rent their video-on-demand selections for a period of 24 hours, which they are then able to watch at their convenience with full stop, rewind, fast forward, pause and replay functionality during that period. This video-on-demand service is available to 9% of the homes passed by Vidéotron. Vidéotron also offers pay television channels on a subscription basis that permit their customers to access and watch any of their video-on demand selections at any time at their convenience.
- ? **Other New Business Initiatives.** To maintain and enhance its market position, Vidéotron is focused on increasing penetration of high-definition television, and personal video recorders, as well as other high-value products and services.

2.2.1.3 New Telephony Service

In January 2005, Vidéotron launched its new telephony service using Voice over IP technology in selected areas, and it expects to continue to launch this service progressively among our other residential and commercial customers in Québec during 2005. Vidéotron's new telephony service includes both local and long-distance calling, and permits all of its telephony customers, both residential and commercial, to access all service features, including: enhanced 911 Emergency service; number portability from and to any local exchange carrier; a message relay service allowing subscribers to communicate with the hearing impaired; and a variety of personal privacy features including universal call tracing. Vidéotron offers free basic listings in local telephone directories, as well as full operator assistance, including: operator-assisted calls; collect and third-party calls; local, national and international directory assistance; person-to-person calls; and busy-line verification.

Finally, Vidéotron offers as part of its new telephony service a host of convenient, optional features, including: name and number caller ID; call waiting with long-distance distinctive ring and audible indicator tone; name and number caller ID on call waiting; visual indicator of a full voice mail box and audible message waiting indicators; automatic call forwarding; three-way conference calling; automatic recalling; and last incoming call identification and recall. In keeping with its competitive strength of providing differentiated, bundled service offerings, Vidéotron offers free installation of its new telephony service to existing cable television and/or Internet customers and to new bundled customers. Vidéotron also offers discounts to its bundled customers, when compared to the sum of the prices of the individual services provided to these customers. In addition, Vidéotron offers discounts for a second telephone line subscription.

2.2.1.4 Video Stores

Through SuperClub Vidéotron, Vidéotron also owns the largest chain of video and game rental stores in Quebec and among the largest of such chains in Canada, with a total of 285 retail locations (of which 238 are franchised) and more than 1.65 million video club rental members. With approximately 154 of its retail locations located in Vidéotron's markets, SuperClub Vidéotron is both a showcase and a valuable and cost-effective distribution network for Vidéotron's growing array of advanced products and services, such as high speed Internet access and digital television.

2.2.2 PRICING OF THE PRODUCTS AND SERVICES

Vidéotron's revenues are derived principally from the monthly fees our customers pay for cable services. The rates it charges vary based on the market served and the level of service selected. Rates are usually adjusted annually. Vidéotron also offers discounts to its bundled customers, when compared to the sum of the prices of the individual services provided to these customers.

The CRTC only regulates rates for basic cable service. The fees for services offered in discretionary packages, including Canadian and U.S. specialty television services, are based upon rates negotiated between Vidéotron and the providers of programming services. In addition, fees for extended cable service (over and above basic cable service rates), pay-television and pay-per-view services, and rentals for set-top boxes are priced by Vidéotron on a discretionary basis and are not regulated by the CRTC.

2.2.3 DISTRIBUTION

In order to conduct its business, Vidéotron must maintain its distribution undertaking licenses in good standing. Failure to meet the terms of its licenses may result in their short-term renewal, suspension, revocation or non-renewal. Vidéotron holds the required licenses for its cable systems and has never failed to obtain a license renewal for those cable systems.

2.2.4 COMPETITION

Vidéotron faces competition in the areas of price, service offerings and service reliability. Vidéotron competes with other providers of television signals and other sources of home entertainment. In addition, as it expands into additional services such as interactive services, it may face additional competition. Vidéotron operates in a competitive business environment which can adversely affect its business and operations. Its principal competitors include off-air television and providers of other entertainment, direct broadcast satellite, distribution of video signals using digital subscriber line, private cable, other cable distribution and wireless distribution. Vidéotron also faces competition from illegal providers of cable television services or pirate systems that enable customers to access programming services from U.S. and Canadian direct broadcast satellite services without paying any fee. Its Internet access business competes against other Internet service providers offering residential and commercial Internet-access services. As well, Vidéotron is now required under CRTC decisions to make its Internet services infrastructure available to other providers of this type of service.

Vidéotron's telephony service compete against other telephone companies, incensing both the incumbent telephone service provider in Québec, which controls a significant portion of the telephony-market in Québec, as well as other voice over IP telephony service providers and cellular telephone service providers.

Vidéotron believes the competitors in its market are currently unable to offer a comparable suite of products and services in an integrated bundle. Specifically, its direct broadcast satellite competitors cannot currently offer full interactivity or video-on-demand. Vidéotron believes many of its product and service offerings are superior to those of its competitors. For example, its standard high-speed Internet access service enables its customers to download data at a higher speed than that currently offered by standard digital subscriber line, or DSL, technology. In addition, Vidéotron offers the widest range of

French-language programming in Canada. As approximately 80% of the Province of Québec is French speaking, Vidéotron believes its ability to deliver unique French-language content provides it with a competitive advantage in these communities. Vidéotron believes that offering bundled products and services has contributed to improved customer satisfaction, increased use of its services, higher average revenue per customer and higher customer retention.

2.3 NEWSPAPER SEGMENT

Sun Media publishes and distributes daily, weekly and monthly newspapers and specialty publications throughout Canada. It is the largest newspaper publisher in the Province of Quebec and the second largest newspaper publisher in Canada, with a 21.6% market share in terms of weekly paid circulation, according to statistics published by the Canadian Newspaper Association. It publishes 17 paid daily newspapers and serves eight of the top 10 urban markets in Canada. Each of Sun Media's eight urban daily newspapers ranks either first or second in its market in terms of paid circulation. Sun Media also publishes 167 weekly newspapers and shopping guides and 18 other specialty publications, including two free daily commuter newspapers.

Sun Media publishes the second and third largest non-national dailies in Canada based on weekly paid circulation: *Le Journal de Montréal*, with a paid circulation of 1.9 million copies and *The Toronto Sun*, with a paid circulation of 1.5 million copies. The combined weekly paid circulation of our daily newspapers is approximately 6.7 million copies.

In addition, Sun Media provides a range of commercial printing and other related services to third parties through its national network of production and printing facilities and distributes newspapers and magazines for other publishers across Canada.

2.3.1 NEWSPAPER OPERATIONS

Sun Media operates its newspaper businesses in urban and community markets. A majority of its newspapers in the Community Newspaper Group are clustered around our eight paid urban dailies in the Urban Daily Group. Sun Media has strategically established its community newspapers near its regional printing facilities in suburban and rural markets across Canada. This geographic clustering enables Sun Media to realize operating efficiencies and economic synergies through sharing of management, production, printing, and distribution, as well as accounting and human resources functions.

2.3.1.1 The Urban Daily Group

On a combined weekly basis, the eight paid daily newspapers in Sun Media's Urban Daily Group circulate approximately 6.4 million copies. These newspapers hold either the number one or number two positions in each of their respective markets in terms of circulation.

Sun Media's Urban Daily Group is comprised of eight daily paid newspapers, two free daily commuter newspapers, and four free weekly publications. With the exception of the broadsheet *The London Free Press*, the paid daily newspapers are morning tabloids published seven days a week. These are mass circulation newspapers that provide succinct and complete news coverage with an emphasis on local news, sports and entertainment. The tabloid format makes extensive use of color, photographs and graphics. Each newspaper contains inserts that feature subjects of interest such as fashion, lifestyle and other specialized topics. In addition, the Urban Daily Group includes two distribution businesses, *Messageries Dynamiques* and *Dynamic Press Group*.

Circulation is defined as average sales of a newspaper per issue. Readership (as opposed to paid circulation) is an estimate of the number of people who read or looked into an average issue of a newspaper and is measured by a continuous independent survey conducted by NADbank Inc. According to the NADbank Inc. © 2003 Study, the estimates of readership are based upon the number of people responding to the Newspaper Audience Databank survey circulated by NADbank Inc. who report having read or looked into one or more issues of a given newspaper during a given period equal to the publication interval of the newspaper.

The following chart lists Sun Media's paid daily newspapers and their respective readership in 2003, as well as their market position by paid circulation during that period:

<u>Newspaper</u>	2003 Average Readership			Market Position by <u>Paid Circulation</u>⁽¹⁾
	<u>Saturday</u>	<u>Sunday</u>	<u>Mon-Fri</u>	
<i>Le Journal de Montréal</i>	752,000	437,700	687,800	1
<i>Le Journal de Québec</i>	218,200	151,400	200,900	1
<i>The Ottawa Sun</i>	118,400	110,400	141,700	2
<i>The Toronto Sun</i>	635,900	978,500	858,800	2
<i>The London Free Press</i>	169,100	96,100	155,700	1
<i>The Winnipeg Sun</i>	97,900	105,500	125,400	2
<i>The Edmonton Sun</i>	149,200	181,600	183,300	2
<i>The Calgary Sun</i>	164,300	185,700	212,200	2
Total Average Readership	2,305,000	2,246,900	2,565,800	

(1) Based on paid circulation data published by the Audit Bureau of Circulations in March 2004 with respect to non-national newspapers in each market.

The following chart lists the free weekly publications and the free daily commuter newspapers and their respective circulation in 2004:

<u>Free Weekly Publication</u>	<u>Location</u>	<u>Average Weekly Circulation</u>⁽¹⁾
<i>The Ottawa Pennysaver</i>	Ottawa, Ontario	180,000
<i>London This Week</i>	London, Ontario	105,000
<i>The London Pennysaver</i>	London, Ontario	146,000
<i>Find-a-Rental</i>	Toronto, Ontario	47,000

<u>Free Daily Commuter Newspaper</u>	<u>Location</u>	<u>Average Daily Circulation</u>⁽¹⁾
<i>24 Heures (formerly Montréal Métropolitain)</i>	Montréal, Québec	118,200
<i>24 Hours</i>	Toronto, Ontario	213,600

(1) Based on internal statistics.

2.3.1.2 The Community Newspaper Group

In total, the Community Newspaper Group consists of nine daily community newspapers, 163 community weekly newspapers and shopping guides, and 16 agriculture and other specialty publications. The Community Newspaper Group also includes *NetMedia*, its distribution sales arm.

The total average weekly circulation of the publications in Sun Media's Community Newspaper Group for the year ended December 31, 2004 was 2.8 million free copies and 639,000 paid copies. The table below sets forth the average daily paid circulation and geographic location of the daily newspapers published by the Community Newspaper Group in 2004:

<u>Newspaper</u>	<u>Location</u>	<u>Average Daily Paid Circulation</u>
<i>The Brockville Recorder and Times</i>	Brockville, Ontario	12,100
<i>Stratford Beacon Herald</i>	Stratford, Ontario	10,430
<i>The Daily Herald Tribune</i>	Grande Prairie, Alberta	8,090
<i>Simcoe Reformer</i>	Simcoe, Ontario	7,610
<i>St. Thomas Time-Journal</i>	St. Thomas, Ontario	7,580
<i>Woodstock Sentinel-Review</i>	Woodstock, Ontario	6,850
<i>Fort McMurray Today</i>	Fort McMurray, Alberta	4,900
<i>The Daily Miner & News</i>	Kenora, Ontario	3,180
<i>The Daily Graphic</i>	Portage La Prairie, Manitoba	3,040
Total average paid circulation		63,780

The weekly and specialty publications of the Community Newspaper Group are distributed throughout Canada. The number of weekly publications on a regional basis is as follows:

<u>Province</u>	<u>Number of Publications</u>
Québec	54
Ontario	49
Alberta	41
Manitoba	12
Saskatchewan	6
New Brunswick	<u>1</u>
Total number of publications	163

Sun Media's community newspaper publications generally offer news, sports and special features with an emphasis on local information. These newspapers cultivate reader loyalty and create franchise value by emphasizing local news, thereby differentiating themselves from national newspapers.

2.3.2 OTHER OPERATIONS

2.3.2.1 Commercial Printing and Distribution

Sun Media's national network of production and printing facilities enables it to provide printing services for web press (coldset and heatset) and sheetfed products, and graphic design for print and electronic medium. These operations provide commercial printing services for both our internal printing needs and for third parties.

The Urban Daily Group includes the distribution businesses of Messageries Dynamiques and Dynamic Press Group. Messageries Dynamiques distributes dailies, magazines and other electronic and print media and reaches approximately 250,000 households and 13,500 retail outlets through its operations in Quebec. Sun Media holds Dynamic Press Group in partnership with a division of The Jim Pattison Group of Vancouver. Dynamic Press Group distributes English- language printed matter to more than 400 outlets in Quebec.

Similarly, the Community Newspaper Group operates the distribution business of NetMedia, which distributes coupons, flyers, product samples and other direct mail promotional material. Through its own branch system and its associated distributors, the Community Newspaper Group currently has the potential to provide advertising customers with distribution to over nine million Canadian households.

2.3.2.2 Television Station

On December 2, 2004, Sun Media and its sister company TVA Group acquired Toronto 1, a general-interest television station located in Toronto, for a total consideration of \$43.2 million, of which \$32.4 million was paid in cash by the Company, giving it a 75% interest, and \$2.8 million paid by Sun Media, plus its interest in Cable Pulse 24 (CP 24), a Toronto all-news channel, for a 25% interest.

The addition of Toronto 1 is expected to generate numerous opportunities for cross-promotions and for leveraging the brands of both Sun Media and Toronto 1 with consumers and advertisers in Canada's largest market place.

2.3.3 SOURCES OF REVENUES

Advertising revenues are Sun Media's largest source of revenues. Advertising rates are based upon the size of the market in which each newspaper operates, circulation, readership, demographic composition of the market and the availability of alternative advertising media. Sun Media's strategy is to maximize advertising revenue by providing advertisers with a range of pricing and marketing alternatives to better enable them to reach their target audience. Sun Media's newspapers offer a variety of advertising alternatives, including full-run advertisements in regular sections of the newspaper targeted to different readers (mainly automotive, real estate and travel); geographically-targeted inserts; special-interest pullout sections and advertising supplements.

Circulation sales are the second-largest source of revenues for Sun Media. In the large urban markets, newspapers are available through newspaper boxes and retail outlets Monday through Sunday. Sun Media offers daily home delivery in every market except Toronto, where *The Toronto Sun* is home-delivered only on Sunday and in certain designated areas on Saturday. Sun Media derives its circulation revenues from single copy sales and subscription sales. Sun Media's strategy is to increase circulation revenues by adding newspaper boxes and point-of-sale locations, as well as expanding home delivery.

Also, Sun Media's third-party commercial printing provides with an additional source of revenues that utilizes its existing equipment with excess capacity.

2.3.4 COMPETITION

A majority of Sun Media's publications maintain the number one or the number two positions in the market that they serve. In order to increase readership, Sun Media is expanding coverage of local news in our newspapers and targeting editorial content to identified groups through the introduction of niche products.

In addition to competing directly with other dailies published in their respective markets, each of Sun Media's newspapers in the Urban Daily Group competes for advertising revenue with weekly newspapers, magazines, direct marketing, radio, television the Internet and other advertising media. The high cost associated with starting a major daily newspaper operation represents a barrier to entry to potential new publishing competitors of Sun Media's Urban Daily Group.

Sun Media's community publications are generally located in small towns and are typically the only daily or weekly newspapers of general circulation published in their respective communities, although some face competition from daily or weekly publications published in nearby locations and circulated in markets where Sun Media publishes its daily or weekly publications.

In its third-party commercial printing operations, Sun Media competes with other newspaper publishing companies as well as with commercial printers. Sun Media's competitive strengths in this area include its modern equipment, its status in some of our markets as the only local provider of commercial printing services and its ability to price projects on a variable cost basis, as our core newspaper business covers overhead expenses.

2.3.5 SEASONALITY AND CYCLICALITY

Canadian newspaper publishing company operating results tend to follow a recurring seasonal pattern with higher advertising revenue in the spring and in the fall. Accordingly, the second and fourth fiscal quarters are typically Sun Media's strongest quarters, with the fourth quarter generally being the strongest. Due to the seasonal retail decline and generally poor weather, the first fiscal quarter has historically been Sun Media's weakest quarter.

Sun Media's newspaper business is cyclical in nature. Sun Media's operating results are sensitive to prevailing local, regional and national economic conditions because of its dependence on advertising sales for a substantial portion of its revenues.

2.3.6 RAW MATERIALS

Newsprint is Sun Media's second-largest expense, after personnel costs, and represents its largest raw material expense. The newsprint industry is highly cyclical, and newsprint prices have historically experienced significant volatility. Sun Media seeks to manage the effects of newsprint price increases through a combination of, among other things, technology improvements, including web width reduction, inventory management, incentive programs and, when possible, advertising and circulation price increases.

In addition, to obtain more favourable pricing and to provide for a more secure supply, Sun Media has entered into agreement expiring December 31, 2005 with a newsprint manufacturer for the supply of most of all of its newsprint purchases. This agreement enables Sun Media to obtain a discount to market prices as well as providing additional volume rebates for purchases above certain thresholds by combining its purchases with the Canadian purchases of Quebecor World. This agreement will substantially satisfy most of Sun Media's anticipated newsprint requirements through the end of 2005.

2.4 BROADCASTING SEGMENT

TVA Group is the largest private producer and broadcaster of French-language entertainment, information and public affairs programming in North America. It is sole owner of six of the ten television stations in the TVA Network, of the analog specialty channel "Le Canal Nouvelles" ("LCN") and of the digital specialty channels "Mystère" and "Canal Argent". It holds a 75% interest in the English-language analog station Toronto 1.

TVA Group also holds interests in two other TVA affiliates, in the "Canal Évasion" specialty channel, the Indigo pay-per-view service, and the English-language digital specialty channels menTV and Mystery. As

well, TVA Group is engaged in infopub and teleshopping services. Its TVA Publishing subsidiary, the largest publisher of French-language magazines in Québec, publishes general-interest and entertainment weeklies and monthlies. Its TVA Films subsidiary distributes films and television products in Canada's English and French language markets.

The information on the Broadcasting Segment contained in the Annual Information Form of TVA Group dated March 29, 2005 is incorporated by reference herein and the relevant excerpt is included as Appendix B.

2.5 LEISURE AND ENTERTAINMENT SEGMENT

Quebecor Media's activities in the Leisure and Entertainment segment consist primarily of retailing CDs, books, videos, musical instruments and magazines through the Archambault chain of stores and the *archambault.ca* e-commerce site, online sales of downloadable music through the *archambaultzik.ca* service, distribution of CDs and videos (through Select, a division of Archambault Group), and music recording (through Musicor, a division of Archambault Group) as well as book publishing in the academic, literary and general literature categories (through seven publishing houses: Éditions Libre Expression, Éditions Internationales Alain Stanké, Éditions Logiques, Éditions du Trécaré, Éditions Quebecor, TVA Publishing and CEC Publishing) and book distribution (through Québec-Livres).

Archambault is the largest chain of music and book stores in Quebec with 17 retail locations, consisting of 13 Archambault megastores, three Camelot-Info stores and one Paragraphe bookstore. Archambault is also one of the largest computer books and software retailers through Camelot-Info Inc. Archambault's products are also distributed through its websites *archambault.ca*, *camelot.ca* and *paragraphbooks.com*. In January 2004, Archambault launched a new music download service with per-track fees, known as *archambaultzik.ca*. This service is hosted on Archambault's website *archambault.ca*. This website is intended to address the problem of music piracy.

Archambault Group, through Select, is also the largest independent music distributor in Canada. Select has over 850 artists, mostly French-speaking. Archambault is a wholesaler serving approximately 500 locations in Quebec through its Trans-Canada division. In 2004, Musicor sold more than 650,000 CDs, including approximately 207,000 Star Académie 2004 CDs and approximately 275,000 CDs by Marie Élane Thibert, 2003 Star Académie runner-up.

Through Quebecor Media, the Company is also involved in book publishing and distribution. Quebecor Media owns several publishing houses forming Quebec's largest book publishing group. In 2004, it published, reissued and reprinted a total of 636 titles and sold over 2.5 million copies. Through Québec-Livres, Quebecor Media's book distribution division it operates a large book distributor in Québec. Québec-Livres distributes French-language books to approximately 1,400 retail outlets in Canada.

2.6 BUSINESS TELECOMMUNICATIONS

Videotron Telecom is a provider of a full range of business telecommunications services, including local switch dial tone service, long distance, high speed data transmission, Internet connectivity and Internet hosting, to customers that include businesses and governmental end users and other telecommunications service providers in Canada. Videotron Telecom's regional network has over 9,000 km/cable in Québec and 2,000 km/cable in Ontario and reaches most large and medium sized users of telecom services of business located in the metropolitan areas of these two provinces. Videotron Telecom's extensive network supports direct connectivity with networks in Ontario, eastern Québec, the Maritimes and the United States.

Videotron Telecom is focusing its development efforts on its core customers base, i.e. telecommunications local and long distance carriers, wholesalers of long distance telecommunications services, wireless operators and Internet service providers, and other high-end users of business telecommunications services. In addition, Videotron Telecom has entered into several contracts with Vidéotron for the provision of telecommunications services. In 2004, Videotron Telecom was awarded a major outsourcing contract for computer hosting and telecommunication managed services of Quebecor World's North American infrastructure.

In July 2004, Videotron Telecom and Vidéotron announced their intention to launch a telephony service using voice over IP technology in Québec. In January 2005, technical tests for this service were completed successfully, and Videotron Telecom and Vidéotron launched this service in selected areas. VTL and Vidéotron expect to continue to launch this service progressively among their other residential and commercial customers in 2005.

In November 2004, Quebecor Media announced its plans to integrate the operations of Videotron Telecom into Vidéotron in 2005. The integration is intended to accelerate the deployment of Vidéotron's new residential telephone service (Voice over IP).

2.7 INTERACTIVE TECHNOLOGIES AND COMMUNICATIONS SEGMENT

The Interactive Technologies and Communications segment consists of Nurun Inc., which is engaged in Internet, intranet and extranet development; technological platforms for content management, e-commerce, interactive television and automated publishing; and emarketing and customer-relationship management ("CRM") strategies.

The description of Nurun's business contained in its Annual Information Form dated March 29, 2005, is incorporated by reference herein and the relevant excerpt is included as Appendix C.

2.8 INTERNET/PORTALS SEGMENT

Canoe (formerly Netgraphe Inc.) is an integrated company offering e-commerce, information and communication services and IT consulting.

Canoe operates the Internet portal network of the same name which serves over 6.2 million Internet users per month and includes *canoe.ca*, *canoe.qc.ca*, La Toile du Québec (*toile.com*) and *money.canoe.ca* (*argent.canoe.com* in French). Canoe also operates a string of e-commerce sites: employment (*jobboom.com*), automobiles (*autonet.ca*), dating (*flirt.canoe.ca* and *reseaucontact.com*), classifieds (*classifiedextra.ca* and *classeesextra.ca*).

In addition, Canoe operates the *tva.canoe.com* and *lcn.canoe.com* sites, as well as two sites for popular TVA programs, *occupationdouble.com* and *staracademie.ca*. Canoe's subsidiary Progisia Informatique inc. offers IT consulting services that include e-commerce, outsourcing, integration and secure transaction environments.

The Jobboom publishing division produces various print publications, including the magazine Jobboom, which has a print run of 100,000 copies and is distributed free 10 times a year, and career guides such as the bestseller *Carrières d'avenir*, which is sold in bookstores.

2.9 INTELLECTUAL PROPERTY

Quebecor uses a number of trademarks for its products and services. Many of these trademarks are registered by it in the appropriate jurisdictions. In addition, Quebecor has legal rights in the unregistered marks arising from their use. Quebecor has taken affirmative legal steps to protect its trademarks and believes its trademarks are adequately protected.

Television programming and motion pictures are granted legal protection under the copyright laws of the countries in which Quebecor operates, and there are substantial civil and criminal sanctions for unauthorized duplication and exhibition. The content of its newspapers and Web sites is similarly protected by copyright. Quebecor owns copyright in each of its publications as a whole, and in all individual content items created by its employees in the course of their employment, subject to very limited exceptions. Quebecor has entered into licensing agreements with wire services, freelancers and other content suppliers on terms that are sufficient to meet the need of its publishing operations. Quebecor believes it has taken appropriate and reasonable measures to secure, protect and maintain its rights or obtain agreements from licensees to secure, protect and maintain copyright protection of content produced or distributed by Quebecor.

2.10 HUMAN RESOURCES

As of December 31, 2004, Quebecor employed approximately 47,400 employees, of which approximately 14,100 were under collective bargaining agreements. The following table sets forth certain information relating to Quebecor's employees in each of its operating segments as of December 31, 2004.

<u>Operations</u>	<u>Total number of employees</u>	<u>Number of employees under collective agreements</u>	<u>Number of collective agreements</u>
Printing	34,400	8,800	67 ⁽¹⁾
Cable Television	3,100	2,000	5
Newspapers	5,900	2,000	49 ⁽²⁾
Broadcasting	1,500	900	13 ⁽³⁾
Leisure and Entertainment	1,300	300	6 ⁽⁴⁾
Business Telecommunications	400	100	2
Interactive Technologies and Communications and Internet Portals	700	-	-
Others	100	-	-

- (1) Of this number, eight collective bargaining agreements (representing 1,100 employees) are or will expire in 2005. These agreements are limited to single plants and groups of employees within these plants.
- (2) Of this number, 19 bargaining agreements (representing approximately 500 employees) expired on or prior to December 31, 2004 and 14 collective bargaining agreements (representing approximately 300 employees) will expire on or prior to December 31, 2005. Five of the 19 collective bargaining agreements that expired on or prior to December 31, 2004 (representing approximately 300 employees) are currently in negotiation.
- (3) Of this number, five collective bargaining agreements (representing approximately 150 employees) expired on or prior to December 31, 2004 are currently in negotiation.
- (4) Four collective bargaining agreements (representing approximately 150 employees) will expire prior to December 31, 2005.

As of December 31, 2004, collective bargaining agreements covering approximately 2,200 of Quebecor's employees had expired or were under negotiation. Quebecor is currently negotiating new collective bargaining agreements with union representatives with a view to significantly increasing productivity and reducing labour costs.

Quebecor believes that its relations with its employees are generally good.

2.11 ENVIRONMENTAL REGULATIONS

Quebecor is subject to various laws, regulations and government policies relating to the generation, storage, transportation, and disposal of solid waste, to air and water releases into the environment of various substances, and to environmental protection in general. Quebecor believes it is in compliance with applicable laws and requirements in all material respects.

Quebecor is also subject to various laws and regulations, which allow regulatory authorities to compel (or seek reimbursement for) cleanup of environmental contamination at Quebecor's own sites and at off-site facilities where its waste is or has been disposed of. Quebecor has established a provision for expenses associated with environmental remediation obligations when such amounts can be reasonably estimated. The amount of the provision is adjusted as new information is known. Quebecor believes the provision is adequate to cover the potential costs associated with those contamination issues.

Quebecor expects to incur ongoing capital and operating costs to maintain compliance with existing and future applicable environmental laws and requirements. Furthermore, Quebecor does not anticipate that maintaining compliance with such environmental statutes will have a material adverse effect upon Quebecor's competitive or consolidated financial position.

Quebecor believes that it has internal controls and personnel dedicated to compliance with all applicable environmental laws and that it provides for adequate monitoring and management of the environmental risk related to its operations.

For year 2004, Quebecor believes that there is no new environmental matter (environmental incident, promulgation of new environmental laws and regulations, soil and groundwater contamination discovery, etc.) to be reported that could have a material impact on Quebecor.

ITEM 3 HIGHLIGHTS

Over the past three years, the general development of each segment in which Quebecor operates has primarily been achieved through the acquisition of business already active in their respective areas.

3.1 HIGHLIGHTS FOR 2004

3.1.1 PRINTING SEGMENT

The highlight information on the Printing Segment contained in the Annual Information Form of Quebecor World dated March 24, 2005 is incorporated by reference herein and the relevant excerpt is included as Appendix A.

3.1.2 CABLE TELEVISION SEGMENT

In July 2004, Vidéotron and Videotron Telecom announced a plan to launch a telephony service using Voice over IP technology in Québec. Following a trial period with 2,000 customers in the fall of 2004, this service was officially launched on January 24, 2005. Vidéotron became the first major cable company in Canada to offer consumers residential telephone service over cable.

In July 2004, SuperClub Vidéotron's wholly-owned subsidiary acquired substantially all of the assets of Jumbo Entertainment Inc. a franchisor and operator of 105 video and video game rental stores across Canada.

On November 19, 2004, Vidéotron issued US\$315 million aggregate principal amount of 6 ^{7/8}% Senior Notes due January 15, 2014 and amended the terms of its credit facilities to increase from Cdn\$100 million to Cdn\$450 million its revolving credit facility, increase its capacity to make future distributions to Quebecor Media and extend maturity to 2009.

3.1.3 NEWSPAPER SEGMENT

On December 2, 2004, Sun Media and its sister company TVA Group acquired Toronto 1, a general-interest television station located in Toronto, for a total consideration of \$43.2 million, of which \$32.4 million was paid in cash by the Company, giving it a 75% interest, and \$2.8 million paid by Sun Media Corporation, plus its interest in Cable Pulse 24 (CP 24), a Toronto all-news channel, for a 25% interest.

3.1.4 BROADCASTING SEGMENT

The highlight information on the Broadcasting Segment contained in the Annual Information Form of TVA Group dated March 29, 2005 is incorporated by reference herein and the relevant excerpt is included as Appendix B.

3.1.5 LEISURE AND ENTERTAINMENT SEGMENT

In January 2004, Archambault launched a new music download service with per-track fees to address the problem of music piracy.

On November 1, 2004, Archambault, launched Groupe Archambault France S.A.S., a new producer, publisher and distributor of cultural content in Europe, and announced a contract with Warner Music France.

3.1.6 BUSINESS TELECOMMUNICATIONS SEGMENT

In November 2004, Quebecor Media announced that Videotron Telecom's activities will be integrated with Vidéotron's, subject to the approval of the CRTC, in order to offer more consistent residential and business communications services through attractive bundles.

3.1.7 INTERACTIVE TECHNOLOGIES AND COMMUNICATIONS SEGMENT

The highlight information on the Interactive Technologies and Communications Segment contained in the Annual Information Form of Nurun dated March 29, 2005 is incorporated by reference herein and the relevant excerpt is included as Appendix C.

3.1.8 INTERNET/PORTALS SEGMENT

In September 2004, Quebecor Media acquired all of the remaining outstanding Multiple Voting Shares and Subordinate Voting Shares of Netgraphe Inc. (now known as Canoe) that it did not already own.

3.2 HIGHLIGHTS FOR 2003

3.2.1 PRINTING SEGMENT

The information on the Printing Segment contained in the Annual Information Form of Quebecor World dated March 24, 2005 is incorporated by reference herein and the relevant excerpt is included as Appendix A.

3.2.2 CABLE TELEVISION SEGMENT

On October 8, 2003, Vidéotron completed the refinancing of its term credit facilities. The refinancing entailed the issuance of a private placement of 6^{7/8}% Senior Notes due January 15, 2014, with a face value of US\$335.0 million. The refinancing also involved the establishment of new bank credit facilities consisting of a term loan and a five-year revolving credit facility totalling \$468.1 million. The proceeds from the refinancing were used to repay in full Vidéotron's borrowings under its previous credit facilities.

3.2.3 NEWSPAPER SEGMENT

On February 7, 2003, Sun Media closed a private placement of US\$201.5 million aggregate principal amount of 7^{5/8}% Senior Notes due 2013, and contracted new bank credit facilities totalling \$425.0 million; more than 95% of the principal does not come due until 2008 or 2009. The proceeds from the sale of Senior Notes and the new bank credit facilities were used to pay down in full Sun Media's debt and to pay a \$260.0 million dividend to Quebecor Media.

In May 2003, Sun Media completed the sales of its operating assets in Florida and British Columbia, Canada. The total cash consideration on these sales was \$22.4 million.

In November 2003, Sun Media acquired the newspaper operations of Annex Publishing & Printing Inc. for total cash consideration of \$34.2 million. These newspaper operations are located in southern Ontario and include two daily newspapers, one semi-weekly and six weekly publications, two shopping guides, as well as a commercial printing operation. The publications are: Simcoe Reformer, The Woodstock Sentinel-Review, The Tillsonburg News, Tillsonburg Independent News, The Oxford Review, The Tuesday Times-Reformer, The Delhi News-Record, The Ingersoll Times, Norwich Gazette, The Lakeshore Shopper and Oxford Shopping News.

3.2.4 BROADCASTING SEGMENT

The highlight information on the Printing Segment contained in the Annual Information Form of TVA Group dated March 29, 2005 is incorporated by reference herein and the relevant excerpt is included as Appendix B.

3.2.5 LEISURE AND ENTERTAINMENT SEGMENT

On October 15, 2003, Quebecor Media announced that it had acquired the 50% equity interest in CEC Publishing Inc. held by Hachette Livre S.A. for a cash consideration of \$15.0 million and had become the sole shareholder of CEC Publishing, a standard-setter in textbook publishing in Quebec for nearly 50 years.

During the year ended December 31, 2003, Quebecor Media increased its ownership in Archambault Group from 94.5% to 100% for a cash consideration of \$2.7 million.

3.2.6 BUSINESS TELECOMMUNICATIONS SEGMENT

On December 19, 2003, Videotron Telecom sold its Mensys Business Solution Center Ltd. subsidiary, a provider of software solutions for municipalities, that did not fit into Quebecor Media's operations, for a cash consideration of \$2.0 million.

Finally, on December 22, 2003, Quebecor Media closed an agreement to acquire the preferred shares held by The Carlyle Group in Videotron Telecom's holding company for a consideration with an estimated value of \$125.0 million.

3.2.7 INTERACTIVE TECHNOLOGIES AND COMMUNICATIONS SEGMENT

The highlight information on the Interactive Technologies and Communications Segment contained in the Annual Information Form of Nurun dated March 29, 2005 is incorporated by reference herein and the relevant excerpt is included as Appendix C.

3.2.8 INTERNET/PORTALS SEGMENT

The Internet/Portal Segment had no highlights to report for the fiscal year ended December 31, 2003.

3.3 HIGHLIGHTS FOR 2002

3.3.1 PRINTING SEGMENT

The highlight information on the Printing Segment contained in the Annual Information Form of Quebecor World dated March 24, 2005 is incorporated by reference herein and the relevant excerpt is included as Appendix A.

3.3.2 CABLE TELEVISION SEGMENT

In May 2002 a labour dispute began with a group of employees, which was settled in April 2003, when Vidéotron entered into two new collective bargaining agreements with 1,700 unionized employees in the Montreal and Quebec City regions.

3.3.3 NEWSPAPER SEGMENT

The Newspaper Segment had no highlights to report for the fiscal year ended December 31, 2002.

3.3.4 BROADCASTING SEGMENT

The highlight information on the Broadcasting Segment contained in the Annual Information Form of TVA Group dated March 29, 2005 is incorporated by reference herein and the relevant excerpt is included as Appendix B.

3.3.5 LEISURE AND ENTERTAINMENT SEGMENT

On May 16, 2002, TVA Publishing II, a wholly-owned subsidiary of TVA Group, acquired Publicor, the magazines division of Quebecor Media, and the Écho Vedettes tabloid.

In November 2002, Quebecor Media closed the sale of its 80% interest in the legal publisher Wilson & Lafleur, a major Quebec publishing house.

3.3.6 BUSINESS TELECOMMUNICATIONS SEGMENT

In April 2002, Videotron Telecom acquired some operating assets of 360networks inc. and Stream Intelligent Networks. The transaction increased Videotron Telecom's penetration in the Montreal-Ottawa-Toronto triangle, the country's largest business telecommunications market.

In December 2002, Videotron Telecom expanded its coverage by acquiring two fibre-optic routes stretching a total of 1,200 km across southern Ontario and to the United States. The two transactions demonstrate Videotron Telecom's commitment and capacity to expansion in the Ontario marketplace.

3.3.7 INTERACTIVE TECHNOLOGIES COMMUNICATIONS SEGMENT

The highlight information on the Interactive Technologies Communications Segment contained in the Annual Information Form of Nurun dated March 29, 2005 is incorporated by reference herein and the relevant excerpt is included as Appendix C.

3.3.8 INTERNET/PORTALS SEGMENT

In September 2002, Netgraphe Inc. (now known as Canoe) closed the sale of its interest in Canoa S.A. for a cash consideration of one dollar.

ITEM 4 OUR DIRECTORS AND OFFICERS

4.1 DIRECTORS

The Board of Directors of the Company currently consists of eleven directors. The term of office of each director expires upon the election of his successor unless he resigns from office or his office becomes vacant by death, removal or other cause. The following table sets forth as at March 1st, 2005, the names, provinces and countries of residence and principal occupation of the directors of the Company and the year each one was appointed director of the Company, as well as the committees on which each director sits, if the case arises.

All information in this section has been provided by the persons concerned.

CLASS A DIRECTORS		
Name, province and country of residence	Principal Occupation ⁽¹⁾	Director Since
Alain Bouchard ^(A) Québec, Canada	Chairman, President and Chief Executive Officer, Alimentation Couche-Tard Inc. (Convenience store chain)	1997
Robert Dutton Québec, Canada	President and Chief Executive Officer, RONA Inc. (Hardware retailer)	2002
Pierre Laurin ^(B) Québec, Canada	Executive-in-Residence, HEC Montreal (University teaching)	1991
Raymond Lemay ^{(B) (C)} Québec, Canada	Corporate director	1989
The Right Honourable Brian Mulroney, P.C., C.C., LL.D. Québec, Canada	Senior Partner, Ogilvy Renault (Barristers and Solicitors) and Chairman of the Board of Quebecor World Inc. (Commercial printer)	1999
Jean Neveu Québec, Canada	Chairman of the Board of the Company and Chairman of the Board of TVA Group Inc. (Broadcasting Corporation)	1988
Érik Péladeau Québec, Canada	Chairman of the Board of Quebecor Media (Communications Company), Vice Chairman of the Board of the Company and Vice Chairman of the Board of Quebecor World Inc. (Commercial printer)	1988
Pierre Karl Péladeau Québec, Canada	President and Chief Executive Officer of the Company and President and Chief Executive Officer of Quebecor World Inc. (Commercial printer)	1992

CLASS B DIRECTORS

Name, province and country of residence	Principal Occupation ⁽¹⁾	Director Since
Françoise Bertrand ⁽²⁾ ^(A) ^(B) Québec, Canada	President, Fédération des chambres de commerce du Québec	2003
Jean La Couture, FCA ⁽³⁾ ^(C) Québec, Canada	President, Private Hearing Ltd. (Commercial Mediation and Negotiation)	2003
Pierre Parent ^(A) ^(C) Québec, Canada	President, R.O. Canada Inc. (Property and Hotel Management).	2003

⁽¹⁾ Except as stated below, each of the aforementioned directors has, during the past five years, carried on his or her current principal occupation or held other management positions with the same or other associated companies or firms, including affiliates and predecessors, indicated opposite his or her name.

⁽²⁾ Mrs. Françoise Bertrand was partner at Secor Consulting, from February 2001 to July 2003, and President, Canadian Radio-Television and Telecommunications Commission from August 1996 to February 2001.

⁽³⁾ Mr. Jean La Couture was President of Top Management Services Inc. from 1995 to December 2004.

⁽⁴⁾ Mr. Pierre Parent was President of Groupe Promexpo, from 1980 to 2002. Since 2002, he is also President of Groupe Parim.

^(A) Member of the Compensation Committee

^(B) Member of the Corporate Governance and Nominating Committee

^(C) Member of the Audit Committee

4.2 SENIOR OFFICERS

The following table shows the names of the senior officers, their province and country of residence and their position within the Company as at March 1st, 2005:

<u>Name, province and country of residence</u>	<u>Position within the Company</u>
Jean Neveu Québec, Canada	Chairman of the Board
Érik Péladeau Québec, Canada	Vice Chairman of the Board
Pierre Karl Péladeau Québec, Canada	President and Chief Executive Officer
Jacques Mallette Québec, Canada	Executive Vice President and Chief Financial Officer
Luc Lavoie Québec, Canada	Executive Vice President, Corporate Affairs
Louis St-Arnaud Québec, Canada	Senior Vice President, Legal Affairs and Secretary

<u>Name, province and country of residence</u>	<u>Position within the Company</u>
Mark D'Souza Québec, Canada	Vice President and Treasurer
Michel Ethier Québec, Canada	Vice President, Taxation
Roger Martel Québec, Canada	Vice President, Internal Audit
Denis Sabourin Québec, Canada	Vice President and Corporate Controller
Claudine Tremblay Québec, Canada	Senior Director, Corporate Secretariat and Assistant Secretary
Frédéric Despars Québec, Canada	Senior Director, Legal Affairs

All the officers have held the positions and principal occupations indicated above or other occupations within Quebecor for the past five years, except for Jacques Mallette, who was consultant from September 2002 to February 2003 and from May 1998 to August 2002, he was President and Chief Executive Officer, Cascades BoxBoard Group Inc.; Luc Lavoie, who was Executive Vice-President, National Public Relations from August 1997 to December 2000; Denis Sabourin, who was Corporate Controller of Compagnie Unimédia (formerly Unimédia inc.) from 1994 to 2001; and Frédéric Despars who was practicing law at Clifford Chance from October 2000 to May 2001 and practicing law at Fasken Martineau DuMoulin from November 1994 to October 2000.

As of March 1st, 2005, to the knowledge of the Company and according to the information received, the directors and officers of the Company, as a group, beneficially owned or exercised control or direction over 17,514,414 Class A Multiple Voting Shares (or 78.56% of the Class A Shares) and 128,084 Class B Subordinate Voting Shares (or 0.30% of the Class B Subordinate Voting Shares) of the Company, 4,072,029 Subordinate Voting Shares (or 4.74% of the Subordinate Voting Shares) of Quebecor World, no Class A Shares of TVA Group and 9,115 Common Shares (or 0.03% of the Common Shares) of Nurun.

As of December 31, 2004, to the knowledge of the Company, none of the directors and officers was imposed penalties by a securities regulatory authority except for Françoise Bertrand who paid a \$ 950 fine to the Ontario Securities Commission for the late filing of an insider report.

ITEM 5 OUR AUDIT COMMITTEE

5.1 MANDATE OF THE AUDIT COMMITTEE

The Company's mandate of the Audit Committee has been reviewed by the Board of Directors at its meeting held on October 28, 2004 to incorporate the requirements of *Regulation 52-110 Respecting Audit Committees*. The mandate of the Audit Committee is attached as Appendix D to this Annual Information Form.

5.2 COMPOSITION OF THE AUDIT COMMITTEE

The Committee is comprised of Jean La Couture, Raymond Lemay and Pierre Parent. Jean La Couture is the Chairman of the Committee.

The Board of Directors of the Company has determined that the three committee's members qualified as unrelated and independent director and were financially literate.

5.3 RELEVANT EDUCATION AND EXPERIENCE

Member	Relevant Education and Experience
Jean La Couture (Chairman)	Mr. La Couture is a Fellow of the Ordre des comptables agréés du Québec. He headed Le Groupe Mallette (an accounting firm) from 1981 to 1999 before becoming President and Chief Executive Officer of The Guarantee Company of North America from 1990 to 1994. He serves as a member of various public companies' Board of Directors and Audit Committee.
Raymond Lemay	Mr. Lemay has an extensive business experience. He was namely President of Blue Bonnets Raceways Inc and subsequently moved to Canada Steamship Lines where he remained in charge for almost ten years, after which he joined the ranks of Quebecor Inc. as Executive Vice-President. He served as a member of various public companies' Audit Committee.
Pierre Parent	Mr. Parent has been associated with the business industry for several years. He is the founder of Promexpo Inc., a leader in the field of design and organization of large scale events in Quebec. Mr. Parent remained at the helm of the enterprise for a number of years. He now specializes in property and hotel management and, as such, he is President of R. O. Canada Inc. and he serves as a member of the Board of Directors of many companies active in the same industry sector.

5.4 RELIANCE ON CERTAIN EXEMPTIONS

The Company has not used an exemption pursuant to *Regulation 52-110 Respecting Audit Committees* at any time since the most recently completed financial year.

5.5 PRE-APPROVAL POLICIES AND PROCEDURES

A uniform policy concerning approval of services other than auditing has been approved for the Company. Under this policy, the list of services that may be provided is approved at the beginning of the year, and services entailing fees of less than \$200,000 are approved by the Chief Financial Officer. All mandates exceeding \$200,000, or those that have not been pre-approved, must be submitted to the Chairman of the Audit Committee or to the Audit Committee as a whole. A report is submitted quarterly to the Audit Committee.

5.6 EXTERNAL AUDITOR SERVICE FEES

The following table sets forth the fees paid to KPMG LLP, the Company's external auditors for services rendered for the fiscal years 2004 and 2003:

	2004	2003
Audit Fees ⁽¹⁾	\$7 807 632	\$8 019 447
Audit-related Fees ⁽²⁾	734 055	1 424 053
Tax Fees ⁽³⁾	1 993 115	2 437 834
All Other Fees ⁽⁴⁾	365 979	99 971
Total	<u>\$10 900 781</u>	<u>\$11 981 305</u>

⁽¹⁾ *Audit Fees* consist of fees billed for the annual audit of the Company's consolidated financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements. They also include fees billed for other audit services, which are those services that only the external auditor reasonably can provide, and include the provision of comfort letters and consents, the consultation concerning financial accounting and reporting of specific issues and the review of documents filed with regulatory authorities.

⁽²⁾ *Audit-related Fees* consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements or that are traditionally performed by the external auditor, and include consultations concerning financial accounting and reporting standards; review of security controls and operational effectiveness of systems; due diligence related to acquisitions; and employee benefit plan audits.

⁽³⁾ *Tax Fees* include fees billed for tax compliance services, including the preparation of original and amended tax returns and claims for refund; tax consultations, such as assistance and representation in connection with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from taxing authorities; tax planning services; and consultation and planning services.

⁽⁴⁾ *All Other Fees* include fees billed for forensic accounting and occasional training services. These fees also include advice and documentation assistance with respect to internal controls over financial reporting and disclosure controls and procedures of the Company and its subsidiaries.

ITEM 6 OUR LEGAL PROCEEDINGS

In November 2001, Vidéotron terminated a sales-service agreement with a supplier and is being sued for \$4.7 million for breach of contract. It is not possible to determine the outcome of the claim at this time.

On March 13, 2002, legal action was initiated by the shareholders of a cable company against Vidéotron. They contend that Vidéotron did not honour its commitment related to a stock purchase agreement signed in August 2000. The plaintiffs are requesting compensation totalling \$26 million. Vidéotron management claims the suit is not justified and intends to vigorously defend its case in Court.

A number of other legal proceedings are still outstanding against the Company and its subsidiaries. In the opinion of the management of the Company and its subsidiaries, the outcome of these proceedings is not expected to have a material adverse effect on the Company's results or its financial position.

ITEM 7 OUR RISK FACTORS

The Company incorporates herein by reference the “Risks and Uncertainties” section describing the risk factors facing the Corporation’s activities, which is taken from the Management’s Discussion and Analysis for the year ended December 31, 2004, found on pages 50 to 54 , filed on February 16th , 2005, and which may be viewed under Quebecor’s profile on SEDAR at www.sedar.com.

ITEM 8 OUR CAPITAL STRUCTURE

8.1 CAPITAL STRUCTURE

The Company’s authorized share capital was modified by a certificate of amendment dated September 4, 1986 redesignating the Common Shares as Class A Multiple Voting Shares (“**Class A Shares**”) carrying ten votes per share and creating Class B Subordinate Voting Shares (“**Class B Shares**”) carrying one vote per share.

The Articles of the Company provide that if, at any time, the “Péladeau Group or an Acceptable Successor”⁽¹⁾ does not own, directly or indirectly, a number of Class A Shares equal to at least 40% of all the Class A Shares outstanding or does not own, directly or indirectly, at least 8,000,000 Class A Shares (such number having been adjusted upwards to reflect a subdivision), then the Class A Shares will carry one vote per share for all time thereafter and all of the Company’s directors will be elected by the holders of the Class A Shares and the Class B Shares voting together as a single class.

The Articles of the Company provide that if a take-over bid to purchase Class A Shares is made to the holders of Class A Shares and is not made at the same time and under the same conditions to the holders of Class B Shares, each Class B Share will become convertible, at the holder’s option, as of the date the take-over bid is made, into one Class A Share, for the sole purpose of allowing the holder to accept the take-over bid. However, such right of conversion will be deemed not to come into force if the “Péladeau Group or an Acceptable Successor”⁽¹⁾ owns at that time a sufficient number of shares of any class to be able to exercise more than 50% of the votes attached to all of the Company’s shares then carrying voting rights and does not accept the take-over bid before it expires. Moreover, the right of conversion will be deemed not to come into force if the take-over bid is withdrawn by the Offeror.

The Articles of the Company contain a definition of an offer giving rise to the right of conversion, provide for procedures to be followed in order to exercise such right and stipulate that, at the time such an offer is made, the Company or the transfer agent of the Class B Shares will communicate in writing with the holders of Class B Shares in order to provide them with full particulars of the manner in which their right of conversion can be exercised.

⁽¹⁾ As defined in the Articles of the Company.

8.2 AUTHORIZED CAPITAL STOCK

The authorized capital stock is as follows :

- An unlimited number of Class A Shares (Multiple Voting) with voting rights of 10 votes per share, convertible at any time into Class B Shares (Subordinate Voting), on a one-for-one basis.
- An unlimited number of Class B shares convertible into Class A shares on a one-for-one basis only if a takeover bid regarding Class A shares is made to holders of Class A shares without being made concurrently and under the same terms to holders of Class B shares.
- Holders of Class B shares are entitled to elect 25% of the Board of Directors of the Company. Holders of A shares may elect the other members of the Board of Directors.

8.3 ISSUED AND OUTSTANDING CAPITAL STOCK

Following are the numbers of shares issued and outstanding as of February 28, 2005:

- 22,294,185 Class A Shares
- 42,356,937 Class B Shares

8.4 DIVIDENDS

Each Class A Share and each Class B Share is entitled to receive dividends as determined by the Board of Directors, in an identical amount, on the same date and in the same form as if such shares constituted shares of the same class.

For the years ended December 31, 2003 and December 31, 2002, no dividend has been declared. Quebecor resumed payment of quarterly dividends by declaring on July 29, 2004 a quarterly dividend of \$0.04 per share on all outstanding shares. A second quarterly dividend of \$0.04 per share was declared and paid during 2004 fiscal year.

8.5 MARKET FOR SECURITIES

The Company's Class A Shares and Class B Shares are listed on The Toronto Stock Exchange under respectively the symbol QBR. M.V.A and QBR. SV.B.

CLASS A SHARES

2004	High	Low	Close	Volume traded
December	25.560	24.100	25.480	19,654
November	26.620	24.960	24.960	22,269
October	27.350	25.200	25.200	101,061
September	26.500	25.500	26.000	12,756
August	27.350	25.430	26.960	12,330
July	28.000	25.520	27.250	16,475
June	28.350	26.620	26.800	23,175
May	26.700	22.630	26.580	16,876
April	24.900	22.670	22.720	85,478
March	27.250	23.700	24.080	42,593
February	28.600	26.250	27.200	38,370
January	27.500	23.300	27.500	49,622

CLASS B SHARES

2004	High	Low	Close	Volume trades
December	25.890	24.000	25.890	1,969,552
November	26.930	24.720	25.000	3,605,690
October	27.450	24.900	25.900	2,058,325
September	27.050	25.400	26.590	1,463,291
August	27.840	25.010	27.110	3,960,746
July	28.250	26.130	27.150	2,026,664
June	28.740	26.350	27.000	2,098,767
May	26.900	22.400	26.750	1,599,307
April	25.500	22.540	23.000	2,009,795
March	27.760	23.450	24.350	3,084,127
February	28.700	26.050	27.450	2,481,513
January	27.630	23.000	27.400	2,739,176

ITEM 9 INTEREST OF OUR MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

During the year, the Company made purchases and incurred rent charges with affiliated companies in the amount of \$15.4 million (\$15.3 million and \$0.9 million, respectively, for the years ended December 31, 2003 and 2002), included in the cost of sales and selling and administrative expenses. The Company made sales to affiliated companies in the amount of \$0.4 million (\$0.3 million and none, respectively, for the years ended December 31, 2003 and 2002). These transactions were concluded and accounted for at the exchange value.

To the knowledge of the Company, no member of management had any interest in a material transaction entered into since the beginning of the last fiscal year ended of the Company or in a proposed transaction that materially affected or reasonably might have materially affected Quebecor.

ITEM 10 OUR MATERIAL CONTRACTS

10.1 SHAREHOLDERS' AGREEMENT

The Company, Capital d'Amérique CDPQ (formerly "Capital Communications CDPQ inc.") ("**Capital CDPQ**") and Quebecor Media, inter alia, entered into a shareholders' agreement, dated October 23, 2000, as consolidated and amended by a shareholders' agreement dated December 11, 2000 which sets forth the rights and obligations of the Company and Capital CDPQ as shareholders of Quebecor Media (the "**Shareholders' Agreement**"). Except as specifically provided in the Shareholders' Agreement, the rights thereunder apply only to shareholders holding at least 10% of the equity shares of Quebecor Media (the "**QMI Shares**"), on a fully-diluted basis.

The Shareholders' Agreement provides, among other things, for:

- i) standard rights of first refusal with respect to certain transfers of QMI Shares;
- ii) standard preemptive rights which permit shareholders to maintain their respective holdings of QMI Shares on a fully diluted basis in the event of issuances of additional QMI Shares or convertible securities of Quebecor Media;
- iii) rights of representation on the Board of Directors of Quebecor Media in proportion to shareholdings, with the Company initially having five nominees and Capital CDPQ having four nominees to Quebecor Media's Board of Directors;
- iv) consent rights in certain circumstances with respect to matters relating to Quebecor Media and its non-reporting issuer (public) subsidiaries, including (a) a substantial change in the nature of the business of Quebecor Media and its subsidiaries taken as a whole, (b) an amendment to the Articles of Quebecor Media or certain of its subsidiaries, (c) the merger or amalgamation of Quebecor Media or certain of its subsidiaries with a person other than an affiliate, (d) the issuance by Quebecor Media or certain of its subsidiaries of shares or of securities convertible into shares except in the event of an initial public offering of QMI Shares, (e) any transaction having a value of more than \$75,000,000, other than the sale of goods and services in the normal course of business, (f) a business acquisition in a business sector unrelated to sectors in which Quebecor Media and certain of its subsidiaries are involved, and (g) in respect of capital expenditures in excess of certain amounts for each of the first five years of operations for Quebecor Media;
- v) standard rights of first refusal in favour of Capital CDPQ with respect to the sale of all or substantially all of the shares or assets of TVA or Vidéotron;
- vi) so long as Capital CDPQ holds at least 22.5% of the QMI Shares on a fully diluted basis, if the Péladeau family (as defined in the Shareholders' Agreement) ceases to control the Company, Capital CDPQ shall have at its option either a "call" on the Company's interest in

Quebecor Media at fair market value, or a "put" right in respect of Capital CDPQ's interest in Quebecor Media to the Company or its new controlling shareholder at fair market value, provided that the "call" right shall not apply if the Péladeau family (as defined in the Shareholders' Agreement) has offered a standard right of first refusal on its Company control block to Capital CDPQ before selling control of the Company, and all of the rights in this item (vi) shall cease to apply five years following the approval by the CRTC of the acquisition by Quebecor Media of Groupe Vidéotron; and

- vii) a non-competition covenant by the Company in respect of it and its affiliates pursuant to which the Company and its affiliates shall not compete with Quebecor Media and its subsidiaries in their areas of activity so long as the Company has "*de jure*" or "*de facto*" control of Quebecor Media, subject to certain limited exceptions.

The Shareholders' Agreement provides that once Quebecor Media becomes a reporting issuer and has a 20% public "float" of QMI Shares, certain provisions of the Shareholders' Agreement will cease to apply, including the consent rights described under items (iv) (d) and (e) above.

In a separate letter agreement, dated December 11, 2000, the Company and Capital CDPQ agreed, subject to applicable laws, fiduciary obligations and existing agreements, to attempt to apply the same board representation and consent rights as set forth in the Shareholders Agreement to Quebecor Media's reporting issuer (public) subsidiaries so long as Capital CDPQ holds at least 20% of the QMI Shares on a fully-diluted basis (10% as it relates to TVA Group).

This Material Contract may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

10.2 OTHER MATERIAL CONTRACTS

Quebecor World, TVA Group, Nurun are subject to the same continuous disclosure obligations as the Company and these obligations include the requirements to file annual and interim financial statements and management's discussion and analysis, material change reports and copies of material contracts. The investors who wish to do so may view such documents under the respective entity profiles at www.sedar.com.

The Company was exempted from the Canadian Securities Administrators to file on its SEDAR profile the material contracts of Quebecor World, TVA Group and Nurun that would otherwise be material contracts for the Company. The material contracts of these companies, which are listed below, may be viewed under their respective company profiles at www.sedar.com.

10.2.1 MATERIAL CONTRACTS OF QUEBECOR WORLD

- **Senior Note Indenture relating to US\$200,000,000 4^{7/8}% Senior Notes due 2008 and US\$400,000,000 6^{1/8}% Senior Notes due 2013 dated as of November 3, 2003 among Quebecor World Capital Corporation, as issuer, Quebecor World, as guarantor, and Citibank, N.A., as trustee.**

Quebecor World's wholly-owned subsidiary, Quebecor World Capital Corporation, issued US\$200.0 million in aggregate principal amount of 4^{7/8}% Senior Notes due 2008 and US\$400.0 million in aggregate principal amount of 6^{1/8}% Senior Notes due 2013 under an indenture dated as of November 3, 2003 among Quebecor World Capital Corporation, Quebecor World and Citibank, N.A., as trustee. The Notes are fully guaranteed as to payment of principal, premium, if any, and interest by Quebecor World. The Notes are redeemable, at the option of the issuer, under certain circumstances and at the redemption prices set forth in the indenture. The indenture contains customary restrictive covenants with respect to Quebecor World and its subsidiaries and customary events of default. If an event of default occurs and is continuing, other than the bankruptcy or insolvency of Quebecor World or certain of its subsidiaries, the trustee or the holders of at least 25% in principal amount of the then-outstanding Notes may declare all the Notes to be due and payable immediately.

This Material Contract may be viewed under Quebecor World's profile on SEDAR at www.sedar.com.

- **Trust Agreement (Undertakings in Favour of Holders of Subordinate Voting Shares)**

Under applicable law, an offer to purchase Multiple Voting Shares would not necessarily require that an offer be made to purchase Subordinate Voting Shares. In compliance with the rules of the Toronto Stock Exchange, Quebecor entered into an agreement with Computershare Trust Company of Canada, 4032667 Canada Inc. (a corporation wholly-owned by Quebecor) and Quebecor World, pursuant to which Quebecor has undertaken not to sell, directly or indirectly, any Multiple Voting Shares owned by it pursuant to a take-over bid, as defined by applicable securities legislation, under circumstances where such securities legislation would have required that the same offer be made to holders of Subordinate Voting Shares, as if such holders were holders of Multiple Voting Shares.

This Material Contract may be viewed under Quebecor World's profile on SEDAR at www.sedar.com.

10.2.2 MATERIAL CONTRACTS OF VIDÉOTRON

- **Indenture relating to US\$650,000,000 6^{7/8}% Senior Notes due January 15, 2014 dated as of October 8, 2003 by and among Vidéotron, the guarantors party thereto and Wells Fargo Bank Minnesota, N.A., (now Wells Fargo Bank, National Association) as trustee, as supplemented by a First Supplemental Indenture dated as of July 12, 2004.**

On October 8, 2003, Vidéotron issued US\$335.0 million in aggregate principal amount of 6^{7/8}% Senior Notes due January 15, 2014 and, on November 19, 2004, Vidéotron issued an additional US\$315.0 million in aggregate principal amount of the Senior Notes. The notes are unsecured and are due January 15, 2014. Interest on the notes is payable semi-annually in arrears on January 15 and July 15 of each year, beginning on July 15, 2004. Vidéotron's obligations under the notes are guaranteed by most, but not all, of its subsidiaries. The notes are redeemable, at Vidéotron's option, under certain circumstances and at the redemption prices set forth in the indenture. The indenture contains customary restrictive covenants with respect to Vidéotron and certain of its subsidiaries and customary events of default. If an event of default occurs and is continuing, other than Vidéotron's bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding notes may declare all the notes to be due and payable immediately.

This Material Contract may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

- **Seventh Amending Agreement, dated as of November 19, 2004, to the Credit Agreement dated as of November 28, 2000, as amended by the First Amending Agreement dated as of January 5, 2001, a Second Amending Agreement dated as of June 29, 2001, a Third Amending Agreement dated December 12, 2001 and accepted by the Lenders as of December 21, 2001, a Fourth Amending Agreement dated as of December 23, 2002, a Fifth Amending Agreement dated as of March 24, 2003 and a Sixth Amending Agreement dated as of October 8, 2003, among Vidéotron, Royal Bank of Canada, as administrative agent, and the financial institutions signatory thereto and acknowledged by SuperClub Vidéotron, Groupe de Divertissement SuperClub inc., Vidéotron (1998) Itée, CF Cable TV Inc., Videotron (Regional) Ltd., Télé-Câble Charlevoix (1997) inc., Vidéotron TVN inc. and Câblage QMI inc., as guarantors thereto, and by Quebecor Media.**

On November 19, 2004, concurrently with the closing of the private placement of a new series of Vidéotron's 6 ⁷/₈% Senior Notes due January 15, 2014, Vidéotron amended and restated its credit agreement dated as of November 28, 2000 by executing and delivering the Seventh Amending Agreement described above and following the satisfaction of certain conditions precedent. Consequently, Vidéotron's credit agreement, as amended, provides for a \$450.0 million revolving credit facility maturing in 2009.

Advances under Vidéotron's revolving credit facility will be in Canadian dollars alone. Advances will bear interest at the Canadian prime rate, the bankers' acceptance rate or LIBOR, plus in each case an applicable margin.

This amended and restated credit agreement contains customary restrictive and financial covenants with respect to Vidéotron and the guarantors named therein and customary events of default. It, however, permits Vidéotron to make distributions by way of dividends, share repurchases, purchases of Quebecor Media's preferred shares or loans to Quebecor Media under certain circumstances. It also permits Vidéotron's repayment of interest on its subordinated debt, payment of management fees or other similar expenses to its direct or indirect parent and transactions for the primary purpose of creating tax benefits.

As of December 31, 2004, no amounts had been drawn under Vidéotron's credit facility under this amended and restated credit agreement.

This Material Contract may be viewed under Quebecor's profile on SEDAR at www.sedar.com.

ITEM 11 EXPERTS INTERESTS

KPMG LLP is the public accounting firm who prepared the auditor's report with respect to the financial statements of the Company.

ITEM 12 OUR TRANSFER AGENT AND REGISTRAR

The Company's transfer agent for its Class A and Class B Shares is Computershare Trust Company of Canada. Share transfer service is available at its Montreal and Toronto offices as well as in Denver, Colorado.

ITEM 13 ADDITIONAL INFORMATION

Additional information relating to the Company may be found on the SEDAR Website at www.sedar.com.

Other information, including information on the remuneration and indebtedness of directors and officers, the principal holders of the Company's securities, securities authorized for issuance under equity compensation plans, where applicable, is contained in the Company's Management Proxy Circular prepared in connection with the Annual Meeting of Shareholders of the Company. Other financial information is included in the comparative consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2004.

The above mentioned documents and the press releases of the Company may be found on its website at www.quebecor.com.

**INFORMATION ON THE PRINTING SEGMENT CONTAINED IN QUEBECOR WORLD'S
ANNUAL INFORMATION FORM DATED MARCH 24, 2005**

**INFORMATION ON THE BROADCASTING SEGMENT CONTAINED IN TVA GROUP'S
ANNUAL INFORMATION FORM DATED MARCH 29, 2005**

**INFORMATION ON THE INTERACTIVE TECHNOLOGIES AND COMMUNICATION SEGMENT
CONTAINED IN NURUN'S ANNUAL INFORMATION FORM DATED MARCH 29, 2005**

QUEBECOR INC.
(the " Company ")

MANDATE OF
THE AUDIT COMMITTEE

The Audit Committee of the Company (the " **Committee** ") assists the Board of Directors (the " **Board** ") in overseeing the Company's financial controls and reporting. The Committee equally oversees the Company's compliance with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

COMPOSITION AND QUORUM

The Committee is composed of a minimum of three (3) and a maximum of five (5) members, each of whom qualifies as an unrelated and independent director i.e. that he has no direct or indirect material relationship¹ with the Company, the whole subject to Multilateral Instrument 52-110. Each member of the Committee must be financially literate ² and at least one member must have accounting or related financial experience (as determined by the Board).

The quorum at any meeting of the Committee is a majority of its members.

Because of the Committee's demanding role and responsibilities, the Corporate Governance and Nominating Committee reviews any invitation made to Committee members to join any other audit committee of any corporation.

RESPONSIBILITIES

The Committee has the following responsibilities:

A. With respect to financial reporting

1. Reviewing with management and the external auditor the annual financial statements and accompanying notes, the external auditor's report thereon, the Management's Discussion and Analysis (" **MD&A** ") and the related press release, and obtaining explanations from management on all significant changes corresponding to relevant periods, before recommending their approval by the Board and their release.
2. Reviewing with management and the external auditor the quarterly financial statements, the external auditor's review thereof, the MD&A and the related press release before recommending their approval by the Board and their release.
3. Reviewing the financial information contained in the Annual Information Form and in the Annual Report, prospectuses and other documents containing similar financial information before their public disclosure or filing with Canadian regulatory authorities.
4. Reviewing with management and the external auditor the quality and not only the acceptability of the Company's accounting policies and any changes proposed thereto,

¹ a material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgement.

² i.e. the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

including (i) all major accounting policies and practices used, (ii) any alternative treatments of financial information that have been discussed with management, the ramification of their use and the external auditor's use made thereof and (iii) any other important communications with management with respect thereto, and reviewing the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

5. Reviewing with the external auditor any problems or difficulties relating to auditing and the measures taken by management thereto and resolving any disagreement between management and the external auditor regarding financial reporting.
6. Reviewing periodically the Company's communications policy to ensure that it conforms with applicable legal and regulatory requirements.
7. Ensuring that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the financial statements, MD&A and annual and interim earnings press releases.

B. With respect to risk management and internal controls

1. Monitoring the quality and integrity of the Company's internal control and management information systems through discussions with management and the external auditor, as well as with the internal auditors of subsidiaries that have their own Committee and that rank as the first level of subsidiaries with commercial activities to wit Quebecor Média Inc. and Quebecor World Inc. (the "**Designated Subsidiaries**").
2. Overseeing management's reporting on internal control.
3. Reviewing on a regular basis and monitoring the Company and subsidiaries risk assessment and management policies.
4. Annually, as of December 31, 2005, reviewing the report of the external auditor describing the Company's internal quality-control procedures, any material issues raised by the most recent reviews of internal controls and management information systems or by any inquiry or investigation by governmental or professional authorities and any recommendations made and steps taken to deal with any such issues.
5. Assisting the Board in respecting its responsibilities for ensuring the Company's compliance with applicable legal and regulatory requirements.

6. Establishing procedures for the receipt, retention and process of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, including the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
7. Establishing procedures for "Whistleblower protection" to ensure that no employee of the Company and its subsidiaries or business units are discharged or otherwise penalized for reporting in good faith to his superior or to any competent authorities, potential violations of any laws or regulations applicable to the Company.

C. With respect to internal auditing

1. Meeting, at each regular meeting of the Committee, with the internal audit management of the Designated Subsidiaries in order to review the expected role of the subsidiaries' internal audit service and to obtain an activity report thereon.

D. With respect to the external auditor

1. Overseeing the work of the external auditor and reviewing the annual written statement of the external auditor regarding all his relationships with the Company and discussing any relationships or services that may impact on his objectivity or independence.
2. Ensuring that the external auditor is always accountable to the Committee and the Board.
3. Pre-approving all non-audit services, to be provided to the Company or its subsidiaries by the external auditor the whole subject to Multilateral Instrument 52-110.
4. Reviewing the basis and amount of the external auditor's fees for both audit and authorized non-audit services.
5. Reviewing the audit plan with the external auditor and management and approving the scope and time-frame of such audit plan.
6. Reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
7. Ensuring the respect of legal requirements regarding (i) the rotation of appropriate partners of the external auditor and, (ii) the participation of the external auditor to the Canadian Public Accountability Board's program.
8. Recommending to the Board of Directors (i) the public accounting firm that will be submitted to the vote of Shareholders for the purpose of preparing or issuing an auditor's report or performing other audit review or attest services and (ii) the compensation of the external auditor for audit services.

E. With respect to the subsidiaries

1. While recognizing the control framework and culture of the Company, establishing good collaboration and communication with the audit committees of Designated Subsidiaries of the Company.
2. Delegating a member or a permanent guest of the Committee to attend, as an observer, at the audit committees' meetings of the Designated Subsidiaries. Report thereof is made at the Committee.
3. Obtaining the audit committees' mandate of the Designated Subsidiaries and confirmation that said committees have covered all the elements included in their respective mandate.
4. Obtaining, on a timely basis, minutes of meetings of the audit committees of the Designated Subsidiaries for information purposes.
5. Ensuring that there is a substantial sharing of information with the audit committees of Designated Subsidiaries to the extent permitted by law, while respecting the principle that shared information is not used by the Company to the disadvantage of the subsidiaries' minority shareholders.
6. Review the guidelines and procedures put into place by each Designated Subsidiary regarding the delegation, to the different Committees of their own subsidiaries, of the completion of certain responsibilities generally attributed to audit committees.
7. Monitoring the pension plans of Quebecor inc. and its subsidiaries, to the extent permitted by the internal governance of public subsidiaries, and subsidiaries not wholly owned by Quebecor inc.
8. Reviewing annually all material non arm's length transactions and the sharing out management fees between the Company and its subsidiaries.

METHOD OF OPERATION

1. Meetings of the Committee are held at least quarterly, and as required.
2. The Chairman of the Committee establishes the agenda for each meeting of the committee in consultation with the Chief Financial Officer. The agenda and the necessary documents are provided to members of the Committee ahead of time prior to any meeting of the Committee.
3. The Chairman of the Committee reports quarterly to the Board, and as required, with regards to the business of the Committee.
4. The Committee has, at all times, a direct line of communication with the external auditor and with the internal auditors of Designated Subsidiaries.

5. The Committee meets on a regular basis without management or the presence of the external auditor.
6. The Committee meets separately with management, the external auditor and internal auditors of Designated Subsidiaries at least annually, and more frequently as required.
7. The Committee may, as so deemed by the justified circumstances, hire external advisors, set and pay their compensation, subject to advising the Chairman of the Board thereof.
8. The Committee annually reviews its mandate and reports to the Board on its relevancy.
9. The Committee annually provides the Board with an attestation confirming that all required elements included in its mandate and working plan have been covered.

Nothing contained in this mandate is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Company or the members of the Committee. Even though the Committee has a specific mandate and its members may have financial experience, they do not have the obligation to act as auditors or to perform auditing, or to determine that the Company's financial statements are complete and accurate. Members of the Committee are entitled to rely, in the absence of knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, and (iii) representations made by management as to the non-audit services provided to the Company by the external auditor. The Committee's monitoring responsibilities were not established for independently determining that (i) management has maintained adequate accounting and financial reporting principles or adequate internal controls and procedures, or (i) the Company's financial statements have been prepared and, if applicable, audited in accordance with generally accepted accounting principles or generally accepted auditing standards.

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