May 8, 2018

For immediate release

QUEBECOR INC. ANNOUNCES 100% INCREASE IN QUARTERLY DIVIDEND AND REPORTS CONSOLIDATED RESULTS FOR FIRST QUARTER 2018

Montréal, Québec – Quebecor Inc. ("Quebecor" or "the Corporation") today reported its consolidated financial results for the first quarter of 2018 and announced a 100% increase in its quarterly dividend, in accordance with the policy established by the Board of Directors. Quebecor consolidates the financial results of its Quebecor Media Inc. ("Quebecor Media") subsidiary, in which it holds an 81.53% interest.

As described under "Changes in Accounting Policies" below, on January 1, 2018 the Corporation adopted on a fully retroactive basis the new rules in IFRS 15, *Revenue from Contracts with Customers*.[1] Accordingly, comparative data have been restated to reflect the impact of the new rules. The Corporation has also reviewed the nature and definition of its key performance indicators. As a result, average monthly revenue per user ("ARPU") has been abandoned and replaced by average billing per unit ("ABPU"), which is defined under "Key Performance Indicators" below. The definition of revenue-generating unit ("RGU") has also been added in the same section.

Highlights

First quarter 2018

- Revenues: $1.01 billion, up $5.2 million (0.5%) from the first quarter of 2017.
- Adjusted operating income:[2] $407.4 million, up $35.5 million (9.5%). Excluding the impact of IFRS 15, adjusted operating income was $414.8 million in the first quarter of 2018, a $49.7 million (13.6%) increase.
- Net income attributable to shareholders: $56.7 million ($0.24 per basic share) in the first quarter of 2018, compared with $3.9 million ($0.02 per basic share) in the same period of 2017, a favourable variance of $52.8 million ($0.22 per basic share), including the $44.5 million favourable impact of losses on embedded derivatives related to convertible debentures.
- Adjusted income from continuing operating activities:[3] $89.6 million ($0.38 per basic share) in the first quarter of 2018, compared with $74.9 million ($0.31 per basic share) in the same period of 2017, an increase of $14.7 million ($0.07 per basic share) or 19.6%. Excluding the impact of IFRS 15, adjusted income from continuing operating income was $94.0 million, a $23.2 million (32.8%) increase.
- Quarterly dividend on the Corporation's Class A Multiple Voting Shares ("Class A Shares") and Class B Subordinate Voting Shares ("Class B Shares") increased by 100% from $0.0275 to $0.055 per share.
- Telecommunications segment grew its revenues by $18.4 million (2.3%) and its adjusted operating income by $26.6 million (6.9%) in the first quarter of 2018. Excluding the impact of IFRS 15, segment adjusted operating income was up $40.8 million (10.8%).
- Videotron Ltd. ("Videotron") significantly increased its revenues from mobile telephony ($14.7 million or 13.2%), Internet access ($11.1 million or 4.4%) and the Club illico over-the-top video service ("Club illico") ($2.1 million or 23.3%) in the first quarter of 2018.

1 In accordance with International Financial Reporting Standards ("IFRS").

2 See "Adjusted operating income" under "Definitions."

3 See "Adjusted income from continuing operating activities" under "Definitions."

- Videotron's total ABPU[1] was $48.82 in the first quarter of 2018 compared with $47.41 in the same period of 2017, a $1.41 (3.0%) increase. Mobile ABPU[1] was $53.25 in the first quarter of 2018 compared with $52.64 in the same period of 2017; the $0.61 (1.2%) increase largely reflects the impact of "bring your own device" plans.
- Net increase of 19,300 RGUs[1] (0.3%) in the first quarter of 2018, including 23,300 connections to the mobile telephony service, 21,800 Club illico subscriptions and 8,100 subscriptions to the cable Internet access service.
- On May 1, 2018, TVA Group Inc. ("TVA Group") signed an agreement to acquire the companies in the Serdy Média Inc. ("Serdy Média") group, which owns and operates the Évasion and Zeste specialty channels, plus the companies in the Serdy Video Inc. ("Serdy Video") group, for a total consideration of $24.0 million. The acquisition is subject to approval by the Canadian Radio-television and Telecommunications Commission.

"The Telecommunications segment was the main profitability driver for Quebecor in the first quarter of 2018," commented Pierre Karl Péladeau, President and Chief Executive Officer of Quebecor. "It made a strong contribution to the healthy increases in the Corporation's adjusted operating income and adjusted income from continuing operating activities. Once again, Videotron's numbers were boosted by its high-growth products and services, including mobile telephony and Internet access. To maintain its lead over the competition, the Corporation continued making investments, including spending on its Internet Protocol television project, based on the XFINITY X1 platform developed by our partner, Comcast Corporation. This forward-looking project will eventually provide our customers with the best television anywhere and equip Quebecor Media with a powerful convergence tool to support enhancement of its content."

"During the 12-month period ended March 31, 2018, the number of subscriber connections to Videotron's mobile telephony service increased by 126,400 or 13.7%," noted Manon Brouillette, President and Chief Executive Officer of Videotron. "During the same period, Videotron added 46,500 subscribers (2.9%) to its cable Internet access service. We remain the only telecommunications provider to offer services of such speed and power across so large a portion of Québec's territory, thanks to our hybrid fibre network."

The Club illico service also posted significant gains. The 58,900 (18.2%) subscriber increase in the last 12 months attests to the positive consumer response to Club illico's diverse, high-quality offerings. "Club illico and Quebecor Content renewed their commitment to original Québec film production with the development and production of at least three feature films. Our ultimate objective is to quickly bring this new content to all of the group's platforms, including premieres on Club illico," added Manon Brouillette.

"Videotron was recently ranked the most respected telecommunications provider in Québec for the 13th consecutive year by the 2018 Léger – NATIONAL Reputation survey and scored as Québec's most influential telecommunications brand on the 2018 Ipsos-*Infopresse* index," Manon Brouillette concluded.

"In the Media segment, the specialty channels, including TVA Sports, film production and audiovisual services and magazines were responsible for the $2.9 million favourable variance in TVA Group's adjusted operating income in the first quarter of 2018," said France Lauzière, President and Chief Executive Officer of TVA Group. "In another move to address the interests of Québec viewers with diverse, high-quality programming, TVA Sports will be the official Québec French-language broadcaster of the Euro 2020 soccer tournament."

At the beginning of May 2018, TVA Group announced an agreement to acquire the companies in the Serdy Média and Serdy Video group in order to add the Évasion and Zeste specialty channels to its stable. The acquisition is consistent with TVA Group's content diversification strategy. "We are confident that incorporating these two respected brands into our group should enable them to reach more consumers across all platforms and give them additional resources to drive their growth," said France Lauzière.

"The Film Production and Audiovisual Services segment's quarterly financial results showed year-over-year improvement for the fourth consecutive quarter. With the acquisition of the assets of Mobilimage inc. in January 2018, we have added mobile units and production equipment to our rental services, as well as related technical expertise. It is also noteworthy that Mels Studios and Postproduction G.P. ("MELS") won two prestigious Canadian Screen Awards in March 2018, Achievement in Visual Effects and Achievement in Overall Sound, testimony to the creative spirit of MELS' employees and associates, and the respect they have earned in the film industry."

In the Sports and Entertainment segment, the Québec Remparts hockey team of the Québec Major Junior Hockey League announced on April 26, 2018 the appointment of Patrick Roy as general manager and coach. "Patrick Roy is a major figure in the history of the National Hockey League and the Québec Remparts and we are very enthusiastic about his return," said Martin Tremblay, Chief Operating Officer of Quebecor Sports and Entertainment Group. "Having him at the helm will help the team maintain its winning tradition."

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[1] See "Key performance indicators" under "Definitions."

“On the financial front, Quebecor purchased 4,125,800 Class B Shares for a total cash consideration of $98.7 million in the first quarter of 2018,” said Jean François Pruneau, Senior Vice President and Chief Financial Officer of Quebecor. “The Corporation also redeemed convertible debentures in the principal amount of $37.5 million for a cash consideration of $71.9 million on April 4, 2018. Repurchases of equity in the form of shares and debentures convertible into shares have therefore totalled more than $170.0 million at fair value since the beginning of 2018, in addition to repurchases totalling more than $260.0 million at fair value in 2017. All these repurchases were made while maintaining the Corporation’s financial flexibility. As well, in view of the Corporation’s current and prospective financial profile, the Board of Directors of Quebecor has examined the dividend policy and has set a dividend target of 30% to 50% of the Corporation’s annual free cash flows, to be achieved gradually by the end of a four-year period. Accordingly, the Board has approved a 100% increase in the quarterly dividend for 2018.”

“In the first quarter of 2018, Quebecor again posted solid consolidated financial results thanks to the impact of its investing strategies,” Pierre Karl Péladeau concluded. “The Corporation remains strongly positioned to create shareholder value.”

Table 1
Quebecor first quarter financial highlights, 2014 to 2018
(in millions of Canadian dollars, except per share data)

	2018	2017	2016	2015	2014
Revenues	**$ 1,006.7**	$ 1,001.5	$ 980.3	$ 926.3	$ 876.3
Adjusted operating income	**407.4**	371.9	359.2	339.4	336.7
Income from continuing operating activities attributable to shareholders	**56.7**	3.9	72.6	31.6	39.5
Net income attributable to shareholders	**56.7**	3.9	72.6	29.5	40.0
Adjusted income from continuing operating activities	**89.6**	74.9	70.4	41.5	46.0
Per basic share:					
Income from continuing operating activities attributable to shareholders	**0.24**	0.02	0.30	0.13	0.16
Net income attributable to shareholders	**0.24**	0.02	0.30	0.12	0.16
Adjusted income from continuing operating activities	**0.38**	0.31	0.29	0.17	0.19

Changes in Accounting Policies

On January 1, 2018, the Corporation adopted on a fully retroactive basis the new rules under IFRS 15, *Revenue from Contracts with Customers*, which specify how and when an entity should recognize revenue. The adoption of IFRS 15 had significant impacts on the consolidated financial statements, mainly in the Telecommunications segment, with regards to the timing of the recognition of its revenues, the classification of its revenues, as well as the capitalization of costs. Among other impacts, the adoption of IFRS 15 resulted in an increase in the revenue from device sales and in a decrease in the mobile service revenue recognized over the contract term. As well, costs to obtain a contract and connection costs are now fully amortized as operating expenses over the contract term or over the period of time the customer is expected to maintain its services. A description of the new rules and details of the retroactive adjustments to comparative data are provided in note 2 to Quebecor’s condensed consolidated financial statements for the first quarter of 2018 and under “Changes in Accounting Policies” in Quebecor’s Management Discussion and Analysis for the same period. As well, to clarify the impact of IFRS 15 on non-IFRS measures, columns presenting the data without application of IFRS 15 have been added to the tables showing the calculation and reconciliation of non-IFRS measures, as presented under “Definitions” below.

Tables 2 and 3 below present segmented revenues and adjusted operating income for the last eight quarters, restated to reflect retroactive application of the new IFRS 15 standard.

Table 2

Quebecor's segmented revenues for the past eight quarters

(in millions of Canadian dollars)

	Q1-2018	Q4-2017	Q3-2017	Q2-2017	Q1-2017	Q4-2016	Q3-2016	Q2-2016
Telecommunications	**$ 823.4**	$ 846.3	$ 829.6	$ 826.6	$ 805.0	$ 822.4	$ 813.1	$ 791.4
Media	**173.2**	199.5	186.8	199.5	184.1	222.2	178.9	196.2
Sports and Entertainment	**37.2**	50.3	56.6	36.0	38.3	54.1	51.0	40.1
Head Office and intersegment	**(27.1)**	(32.0)	(32.4)	(23.5)	(25.9)	(31.1)	(25.3)	(24.2)
Total	**$ 1,006.7**	$ 1,064.1	$ 1,040.6	$ 1,038.6	$ 1,001.5	$ 1,067.6	$ 1,017.7	$ 1,003.5

Table 3

Quebecor's segmented adjusted operating income for the past eight quarters

(in millions of Canadian dollars)

	Q1-2018	Q4-2017	Q3-2017	Q2-2017	Q1-2017	Q4-2016	Q3-2016	Q2-2016
Telecommunications	**$ 410.5**	$ 396.9	$ 390.2	$ 397.8	$ 383.9	$ 385.9	$ 388.9	$ 377.1
Media	**(1.1)**	22.4	35.7	13.4	(2.2)	25.0	24.4	6.3
Sports and Entertainment	**(2.1)**	2.3	8.3	(3.6)	(0.8)	(1.3)	8.8	(3.5)
Head Office	**0.1**	(1.6)	(2.2)	(3.3)	(9.0)	1.0	(7.0)	(5.0)
Total	**$ 407.4**	$ 420.0	$ 432.0	$ 404.3	$ 371.9	$ 410.6	$ 415.1	$ 374.9

Changes to key performance indicators

Following adoption of IFRS 15, and to reflect changes in its activities and services, including the growth of its mobile telephony business, the Corporation reviewed the nature and definition of its key performance indicators. Accordingly, average monthly revenue per user ("ARPU") has been abandoned and replaced by a new metric, average billing per unit ("ABPU"). ABPU will be used henceforth to measure the performance of mobile activities and the performance of all activities combined. The definition of the new ABPU metric is provided under "Definitions" below. The definition of revenue-generating unit ("RGU") has also been added in the same section; the nature and calculation of the metric are unchanged.

Table 4 presents the new ABPU metric for mobile activities and all activities combined for the last eight quarters.

Table 4

Videotron's ABPU for the past eight quarters

(in Canadian dollars)

	Q1-2018	Q4-2017	Q3-2017	Q2-2017	Q1-2017	Q4-2016	Q3-2016	Q2-2016
Mobile ABPU	**$ 53.25**	$ 53.56	$ 53.34	$ 53.32	$ 52.64	$ 51.96	$ 52.61	$ 50.51
Total ABPU	**$ 48.82**	$ 48.90	$ 48.50	$ 48.12	$ 47.41	$ 47.49	$ 47.03	$ 46.33

2018/2017 first quarter comparison

Revenues: $1.01 billion, a $5.2 million (0.5%) increase.

- Revenues increased in Telecommunications ($18.4 million or 2.3% of segment revenues).
- Revenues decreased in Media ($10.9 million or -5.9%) and in Sports and Entertainment ($1.1 million or -2.9%).

Adjusted operating income: $407.4 million, a $35.5 million (9.5%) increase.

- Adjusted operating income increased in Telecommunications ($26.6 million or 6.9% of segment adjusted operating income). There were favourable variances in Media ($1.1 million or 50.0%) and at Head Office ($9.1 million). The change at Head Office was due to lower compensation costs, including the stock-based compensation charge.
- There was an unfavourable variance in Sports and Entertainment ($1.3 million).
- The change in the fair value of Quebecor Media stock options resulted in a $0.8 million unfavourable variance in the stock-based compensation charge in the first quarter of 2018 compared with the same period of 2017. The change in the fair value of Quebecor stock options and in the value of Quebecor stock-price-based share units resulted in a $3.3 million favourable variance in the Corporation's stock-based compensation charge in the first quarter of 2018.

Net income attributable to shareholders: $56.7 million ($0.24 per basic share) in the first quarter of 2018, compared with $3.9 million ($0.02 per basic share) in the same period of 2017, a favourable variance of $52.8 million ($0.22 per basic share).

- The main favourable variances were:
  - $42.8 million favourable variance in losses on valuation and translation of financial instruments, including $44.5 million without any tax consequences;
  - $35.5 million increase in adjusted operating income;
  - $15.6 million favourable variance in the loss on debt refinancing.
- The main unfavourable variances were:
  - $17.4 million unfavourable variance in the charge for restructuring of operations, litigation and other items;
  - $12.0 million increase in the income tax expense;
  - $10.1 million increase in the depreciation and amortization charge.

Adjusted income from continuing operating activities: $89.6 million ($0.38 per basic share) in the first quarter of 2018, compared with $74.9 million ($0.31 per basic share) in the same period of 2017, an increase of $14.7 million ($0.07 per basic share) or 19.6%.

Financial transactions

During the first quarter of 2018, the Corporation issued a notice regarding the redemption of convertible debentures in the principal amount of $37.5 million. A $71.9 million cash payment was made on April 4, 2018 in respect of that redemption.

Normal course issuer bid

On August 9, 2017, the Board of Directors of Quebecor authorized the renewal of its normal course issuer bid for a maximum of 1,000,000 Class A Shares, representing approximately 1.3% of issued and outstanding Class A Shares, and for a maximum of 4,000,000 Class B Shares, representing approximately 2.4% of issued and outstanding Class B Shares as of August 1, 2017. The purchases can be made from August 15, 2017 to August 14, 2018 at prevailing market prices on the open market through the facilities of the TSX or other alternative trading systems. All shares purchased under the bid will be cancelled.

On December 15, 2017, the maximum number of Class B Shares that may be repurchased under the Corporation's normal course issuer bid was increased to 8,400,000, or approximately 9.9% of the public float as at August 1, 2017.

In the first quarter of 2018, the Corporation purchased and cancelled 4,125,800 Class B Shares for a total cash consideration of $98.7 million (659,200 Class B Shares for a total cash consideration of $12.8 million in the first quarter of 2017). The $90.8 million excess of the purchase price over the carrying value of the repurchased Class B Shares was recorded as a reduction of retained earnings ($11.6 million in the first quarter of 2017).

Dividend

In view of the Corporation's current and prospective financial profile, the Board of Directors has examined the dividend policy and has set a dividend target of 30% to 50% of the Corporation's annual free cash flows, to be achieved gradually by the end of a four-year period. Accordingly, on May 7, 2018, the Board of Directors of Quebecor declared a quarterly dividend of $0.055 per share on Class A and Class B shares, a 100% increase, payable on June 18, 2018 to shareholders of record as of the record date of May 24, 2018. This dividend is designated an eligible dividend, as provided under subsection 89(14) of the Canadian *Income Tax Act* and its provincial counterpart.

Detailed financial information

For a detailed analysis of Quebecor's first quarter 2018 results, please refer to the Management Discussion and Analysis and consolidated financial statements of Quebecor, available on the Corporation's website at www.quebecor.com/en/quarterly_doc_quebecor_inc or from the SEDAR filing service at <www.sedar.com>.

Conference call for investors and webcast

Quebecor will hold a conference call to discuss its first quarter 2018 results on May 8, 2018, at 4:30 p.m. EDT. There will be a question period reserved for financial analysts. To access the conference call, please dial 1 877 293-8052, access code for participants 48006#. A tape recording of the call will be available from May 8 to August 6, 2018 by dialling 1 877 293-8133, conference number 1231110, access code for participants 48006#. The conference call will also be broadcast live on Quebecor's website at <www.quebecor.com/en/content/conference call>. It is advisable to ensure the appropriate software is installed before accessing the call. Instructions and links to free player downloads are available at the Internet address shown above.

Cautionary statement regarding forward-looking statements

The statements in this press release that are not historical facts are forward-looking statements and are subject to significant known and unknown risks, uncertainties and assumptions that could cause the Corporation's actual results for future periods to differ materially from those set forth in the forward-looking statements. Forward-looking statements may be identified by the use of the conditional or by forward-looking terminology such as the terms "plans," "expects," "may," "anticipates," "intends," "estimates," "projects," "seeks," "believes," or similar terms, variations of such terms or the negative of such terms. Certain factors that may cause actual results to differ from current expectations include seasonality (including seasonal fluctuations in customer orders), operating risk (including fluctuations in demand for Quebecor's products and pricing actions by competitors), new competition and Quebecor's ability to retain its current customers and attract new ones, risks related to fragmentation of the advertising market, insurance risk, risks associated with capital investments (including risks related to technological development and equipment availability and breakdown), environmental risks, risks associated with cybersecurity and the protection of personal information, risks associated with labour agreements, credit risk, financial risks, debt risks, risks related to interest rate fluctuations, foreign exchange risks, risks associated with government acts and regulations, risks related to changes in tax legislation, and changes in the general political and economic environment. Investors and others are cautioned that the foregoing list of factors that may affect future results is not exhaustive and that undue reliance should not be placed on any forward-looking statements. For more information on the risks, uncertainties and assumptions that could cause Quebecor's actual results to differ from current expectations, please refer to Quebecor's public filings, available at <www.sedar.com> and <www.quebecor.com>, including, in particular, the "Risks and Uncertainties" section of Quebecor's Management Discussion and Analysis for the year ended December 31, 2017.

The forward-looking statements in this press release reflect Quebecor's expectations as of May 8, 2018, and are subject to change after that date. Quebecor expressly disclaims any obligation or intention to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

About Quebecor

Quebecor, a Canadian leader in telecommunications, entertainment, news media and culture, is one of the best-performing integrated communications companies in the industry. Driven by their determination to deliver the best possible customer experience, all of Quebecor's subsidiaries and brands are differentiated by their high-quality, multiplatform, convergent products and services.

Quebecor (TSX: QBR.A, QBR.B) is headquartered in Québec. It holds an 81.53% interest in Quebecor Media, which employs more than 10,000 people in Canada.

A family business founded in 1950, Quebecor is strongly committed to the community. Every year, it actively supports more than 400 organizations in the vital fields of culture, health, education, the environment, and entrepreneurship.

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DEFINITIONS

Adjusted operating income

In its analysis of operating results, the Corporation defines adjusted operating income, as reconciled to net income under IFRS, as net income before depreciation and amortization, financial expenses, loss on valuation and translation of financial instruments, restructuring of operations, litigation and other items, loss on debt refinancing and income tax. Adjusted operating income as defined above is not a measure of results that is consistent with IFRS. It is not intended to be regarded as an alternative to other financial operating performance measures or to the statement of cash flows as a measure of liquidity. It should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Corporation uses adjusted operating income in order to assess the performance of its investment in Quebecor Media. The Corporation’s management and Board of Directors use this measure in evaluating its consolidated results as well as the results of the Corporation’s operating segments. This measure eliminates the significant level of impairment and depreciation/amortization of tangible and intangible assets and is unaffected by the capital structure or investment activities of the Corporation and its business segments. Adjusted operating income is also relevant because it is a significant component of the Corporation’s annual incentive compensation programs. A limitation of this measure, however, is that it does not reflect the periodic costs of tangible and intangible assets used in generating revenues in the Corporation’s segments. The Corporation also uses other measures that do reflect such costs, such as cash flows from segment operations and free cash flows from continuing operating activities of the Quebecor Media subsidiary. The Corporation’s definition of adjusted operating income may not be the same as similarly titled measures reported by other companies.

On a transitional basis and to clarify the impact of retroactive adoption of IFRS 15, as described under “Changes in Accounting Policies,” columns have been added to the calculation and reconciliation tables for non-IFRS financial measures. Accordingly, those tables also show the calculation and reconciliation of non-IFRS measures in 2018 and 2017 based on the former accounting policies with respect to revenue recognition, i.e. without the adjustments required by adoption of IFRS 15.

Table 5 below provides a reconciliation of adjusted operating income to net income as disclosed in Quebecor's condensed consolidated financial statements.

Table 5
Reconciliation of the adjusted operating income measure used in this press release to the net income measure used in the condensed consolidated financial statements
(in millions of Canadian dollars)

	With adoption of IFRS 15[1]		Without IFRS 15[2]	
	Three months ended March 31		Three months ended March 31	
	2018	2017	**2018**	2017
Adjusted operating income (loss):				
Telecommunications	**$ 410.5**	$ 383.9	**$ 417.9**	$ 377.1
Media	**(1.1)**	(2.2)	**(1.1)**	(2.2)
Sports and Entertainment	**(2.1)**	(0.8)	**(2.1)**	(0.8)
Head Office	**0.1**	(9.0)	**0.1**	(9.0)
	407.4	371.9	**414.8**	365.1
Depreciation and amortization	**(179.9)**	(169.8)	**(179.9)**	(169.8)
Financial expenses	**(76.6)**	(77.1)	**(76.6)**	(77.1)
Loss on valuation and translation of financial instruments	**(29.6)**	(72.4)	**(29.6)**	(72.4)
Restructuring of operations, litigation and other items	**(6.5)**	10.9	**(6.5)**	10.9
Loss on debt refinancing	**–**	(15.6)	**–**	(15.6)
Income taxes	**(39.2)**	(27.2)	**(39.2)**	(27.2)
Impact of IFRS 15	**–**	–	**(7.4)**	6.8
Net income	**$ 75.6**	$ 20.7	**$ 75.6**	$ 20.7

[1] Non-IFRS measures presented in these columns are calculated based on IFRS 15 new rules, adopted by the Corporation on a retroactive basis and described under "Changes in Accounting Policies" above.

[2] Non-IFRS measures presented in these columns are calculated based on the Corporation's former accounting policies with respect to revenue recognition, i.e. without the impact of IFRS 15 adoption.

Adjusted income from continuing operating activities

The Corporation defines adjusted income from continuing operating activities, as reconciled to net income attributable to shareholders under IFRS, as net income attributable to shareholders before loss on valuation and translation of financial instruments, restructuring of operations, litigation and other items, loss on debt refinancing, net of income tax related to adjustments and net income attributable to non-controlling interest related to adjustments. Adjusted income from continuing operating activities, as defined above, is not a measure of results that is consistent with IFRS. It should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Corporation uses adjusted income from continuing operating activities to analyze trends in the performance of its businesses. The above-listed items are excluded from the calculation of this measure because they impair the comparability of the financial results. Adjusted income from continuing operating activities is more representative for forecasting income. The Corporation's definition of adjusted income from continuing operating activities may not be identical to similarly titled measures reported by other companies.

Table 6 provides a reconciliation of adjusted income from continuing operating activities to the net income attributable to shareholders' measure used in Quebecor's condensed consolidated financial statements.

Table 6

Reconciliation of the adjusted income from continuing operating activities measure used in this press release to the net income attributable to shareholders' measure used in the condensed consolidated financial statements

(in millions of Canadian dollars)

	With adoption of IFRS 15[1]		Without IFRS 15[2]	
	Three months ended March 31		Three months ended March 31	
	2018	2017	**2018**	2017
Adjusted income from continuing operating activities	**$ 89.6**	$ 74.9	**$ 94.0**	$ 70.8
Loss on valuation and translation of financial instruments	**(29.6)**	(72.4)	**(29.6)**	(72.4)
Restructuring of operations, litigation and other items	**(6.5)**	10.9	**(6.5)**	10.9
Loss on debt refinancing	**–**	(15.6)	**–**	(15.6)
Income taxes related to adjustments[3]	**2.1**	6.1	**2.1**	6.1
Net income attributable to non-controlling interest related to adjustments	**1.1**	–	**1.1**	–
Impact of IFRS 15	**–**	–	**(4.4)**	4.1
Net income attributable to shareholders	**$ 56.7**	$ 3.9	**$ 56.7**	$ 3.9

1 Non-IFRS measures presented in these columns are calculated based on IFRS 15 new rules, adopted by the Corporation on a retroactive basis and described under "Changes in Accounting Policies" above.

2 Non-IFRS measures presented in these columns are calculated based on the Corporation's former accounting policies with respect to revenue recognition, i.e. without the impact of IFRS 15 adoption.

3 Includes impact of fluctuations in income tax applicable to adjusted items, either for statutory reasons or in connection with tax transactions.

KEY PERFORMANCE INDICATORS

Revenue-generating unit

The Corporation uses RGU, an industry metric, as a key performance indicator. An RGU represents, as the case may be, subscriptions to the cable Internet, cable television and Club illico services, and subscriber connections to the mobile telephony and cable telephony services. RGU is not a measurement that is consistent with IFRS and the Corporation's definition and calculation of RGU may not be the same as identically titled measurements reported by other companies.

Average billing per unit

The Corporation uses ABPU, an industry metric, as a key performance indicator. This indicator is used to measure monthly average subscription billing per average RGU. ABPU is not a measurement that is consistent with IFRS and the Corporation's definition and calculation of ABPU may not be the same as identically titled measurements reported by other companies.

Mobile ABPU is calculated by dividing the average subscription billing for mobile telephony services by the average number of mobile RGUs during the applicable period, and then dividing the resulting amount by the number of months in the applicable period.

Total ABPU is calculated by dividing the combined average subscription billing for cable Internet, cable television, Club illico, mobile telephony and cable telephony services by the total average number of RGUs from cable Internet, cable television, mobile telephony and cable telephony services during the applicable period, and then dividing the resulting amount by the number of months in the applicable period.

QUEBECOR INC.

CONSOLIDATED STATEMENTS OF INCOME

(in millions of Canadian dollars, except for earnings per share data)
(unaudited)

	Three months ended March 31	
	2018	2017 (restated)
Revenues	**$ 1,006.7**	$ 1,001.5
Employee costs	**180.0**	187.1
Purchase of goods and services	**419.3**	442.5
Depreciation and amortization	**179.9**	169.8
Financial expenses	**76.6**	77.1
Loss on valuation and translation of financial instruments	**29.6**	72.4
Restructuring of operations, litigation and other items	**6.5**	(10.9)
Loss on debt refinancing	**-**	15.6
Income before income taxes	**114.8**	47.9
Income taxes (recovery):		
Current	**59.8**	3.4
Deferred	**(20.6)**	23.8
	39.2	27.2
Net income	**$ 75.6**	$ 20.7
Net income attributable to		
Shareholders	**$ 56.7**	$ 3.9
Non-controlling interests	**18.9**	16.8
Earnings per share attributable to shareholders		
Basic	**$ 0.24**	$ 0.02
Diluted	**0.24**	0.02
Weighted average number of shares outstanding (in millions)	**235.9**	243.2
Weighted average number of diluted shares (in millions)	**236.3**	243.6

QUEBECOR INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars) (unaudited)	Three months ended March 31	
	2018	2017
		(restated)
Net income	**$ 75.6**	$ 20.7
Other comprehensive loss:		
Items that may be reclassified to income:		
Cash flow hedges:		
Loss on valuation of derivative financial instruments	**(43.1)**	(12.3)
Deferred income taxes	**3.8**	3.8
	(39.3)	(8.5)
Comprehensive income	**$ 36.3**	$ 12.2
Comprehensive income (loss) attributable to		
Shareholders	**$ 24.7**	$ (3.0)
Non-controlling interests	**11.6**	15.2

QUEBECOR INC.
SEGMENTED INFORMATION

(in millions of Canadian dollars)
(unaudited)

Three months ended March 31, 2018

	Telecommuni-cations	Media	Sports and Enter-tainment	Head office and Inter-segments	Total
Revenues	**$ 823.4**	**$ 173.2**	**$ 37.2**	**$ (27.1)**	**$ 1,006.7**
Employee costs	**102.2**	**59.3**	**9.7**	**8.8**	**180.0**
Purchase of goods and services	**310.7**	**115.0**	**29.6**	**(36.0)**	**419.3**
Adjusted operating income[1]	**410.5**	**(1.1)**	**(2.1)**	**0.1**	**407.4**
Depreciation and amortization					**179.9**
Financial expenses					**76.6**
Loss on valuation and translation of financial instruments					**29.6**
Restructuring of operations, litigation and other items					**6.5**
Income before income taxes					**$ 114.8**
Additions to property, plant and equipment	**$ 139.8**	**$ 5.0**	**$ 0.2**	**$ 0.4**	**$ 145.4**
Additions to intangible assets	**55.0**	**1.5**	**1.0**	**(0.6)**	**56.9**

Three months ended March 31, 2017
(restated)

	Telecommuni-cations	Media	Sports and Enter-tainment	Head office and Inter-segments	Total
Revenues	$ 805.0	$ 184.1	$ 38.3	$ (25.9)	$ 1,001.5
Employee costs	100.6	57.8	9.2	19.5	187.1
Purchase of goods and services	320.5	128.5	29.9	(36.4)	442.5
Adjusted operating income[1]	383.9	(2.2)	(0.8)	(9.0)	371.9
Depreciation and amortization					169.8
Financial expenses					77.1
Loss on valuation and translation of financial instruments					72.4
Restructuring of operations, litigation and other items					(10.9)
Loss on debt refinancing					15.6
Income before income taxes					$ 47.9
Additions to property, plant and equipment	$ 161.8	$ 6.0	$ 0.1	$ 0.4	$ 168.3
Additions to intangible assets	33.6	0.7	0.4	0.4	35.1

[1] The Chief Executive Officer uses adjusted operating income as the measure of profit to assess the performance of each segment. Adjusted operating income is referred as a non-IFRS measure and is defined as net income before depreciation and amortization, financial expenses, loss on valuation and translation of financial instruments, restructuring of operations, litigation and other items, loss on debt refinancing and income taxes.

QUEBECOR INC.
CONSOLIDATED STATEMENTS OF EQUITY

(in millions of Canadian dollars)
(unaudited)

	Equity attributable to shareholders				Equity attributable to non-controlling interests	Total equity
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive loss		
Balance as of December 31, 2016, as previously reported	$ 323.3	$ 2.3	$ 235.7	$ (106.1)	$ 392.0	$ 847.2
Changes in accounting policies	-	-	143.7	-	33.6	177.3
Balance as of December 31, 2016, as restated	323.3	2.3	379.4	(106.1)	425.6	1,024.5
Net income	-	-	3.9	-	16.8	20.7
Other comprehensive loss	-	-	-	(6.9)	(1.6)	(8.5)
Dividends or distributions	-	-	(5.5)	-	(4.7)	(10.2)
Repurchase of Class B Shares	(1.2)	-	(11.6)	-	-	(12.8)
Balance as of March 31, 2017	322.1	2.3	366.2	(113.0)	436.1	1,013.7
Net income	-	-	386.6	-	121.4	508.0
Other comprehensive income	-	-	-	62.7	14.7	77.4
Issuance of Class B shares	1.1	1.2	-	-	-	2.3
Dividends or distributions	-	-	(19.8)	-	(14.0)	(33.8)
Repurchase of Class B Shares	(9.3)	-	(105.4)	-	-	(114.7)
Non-controlling interests acquisition	-	-	(25.7)	(0.4)	(17.8)	(43.9)
Balance as of December 31, 2017	313.9	3.5	601.9	(50.7)	540.4	1,409.0
Net income	-	-	56.7	-	18.9	75.6
Other comprehensive loss	-	-	-	(32.0)	(7.3)	(39.3)
Dividends or distributions	-	-	(6.6)	-	(4.7)	(11.3)
Repurchase of Class B Shares	(7.9)	-	(90.8)	-	-	(98.7)
Balance as of March 31, 2018	**$ 306.0**	**$ 3.5**	**$ 561.2**	**$ (82.7)**	**$ 547.3**	**$ 1,335.3**

QUEBECOR INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars) (unaudited)	Three months ended March 31	
	2018	2017 (restated)
Cash flows related to operating activities		
Net income	**$ 75.6**	$ 20.7
Adjustments for:		
Depreciation of property, plant and equipment	**153.5**	144.6
Amortization of intangible assets	**26.4**	25.2
Loss on valuation and translation of financial instruments	**29.6**	72.4
Loss on debt refinancing	**-**	15.6
Amortization of financing costs and long-term debt discount	**1.8**	1.8
Deferred income taxes	**(20.6)**	23.8
Other	**(0.5)**	1.3
	265.8	305.4
Net change in non-cash balances related to operating activities	**28.9**	(158.1)
Cash flows provided by operating activities	**294.7**	147.3
Cash flows related to investing activities		
Business acquisitions	**(2.7)**	(5.6)
Additions to property, plant and equipment	**(145.4)**	(168.3)
Additions to intangible assets	**(56.9)**	(35.1)
Proceeds from disposals of assets	**0.4**	0.4
Other	**(0.6)**	-
Cash flows used in investing activities	**(205.2)**	(208.6)
Cash flows related to financing activities		
Net change in bank indebtedness	**(0.8)**	48.6
Net change under revolving facilities	**82.8**	197.4
Repayment of long-term debt	**(3.7)**	(183.7)
Settlement of hedging contracts	**-**	(0.1)
Repurchase of Class B Shares	**(98.7)**	(12.8)
Dividends or distributions paid to non-controlling interests	**(4.7)**	(4.7)
Cash flows (used in) provided by financing activities	**(25.1)**	44.7
Net change in cash and cash equivalents	**64.4**	(16.6)
Cash and cash equivalents at beginning of period	**864.9**	22.3
Cash and cash equivalents at end of period	**$ 929.3**	$ 5.7
Cash and cash equivalents consist of		
Cash	**$ 929.0**	$ 4.6
Cash equivalents	**0.3**	1.1
	$ 929.3	$ 5.7
Interest and taxes reflected as operating activities		
Cash interest payments	**$ 42.1**	$ 42.3
Cash income tax payments (net of refunds)	**14.2**	51.2

QUEBECOR INC.
CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars)
(unaudited)

	March 31 2018	December 31 2017 (restated)	December 31 2016 (restated)
Assets			
Current assets			
Cash and cash equivalents	$ **929.3**	$ 864.9	$ 22.3
Accounts receivable	**523.1**	543.4	525.4
Contract assets	**130.7**	132.8	106.6
Income taxes	**5.4**	29.3	6.9
Inventories	**192.8**	188.1	183.3
Other current assets	**131.9**	119.8	102.4
	1,913.2	1,878.3	946.9
Non-current assets			
Property, plant and equipment	**3,545.9**	3,594.6	3,605.1
Intangible assets	**996.7**	983.1	1,224.0
Goodwill	**2,696.4**	2,695.8	2,725.4
Derivative financial instruments	**632.8**	591.8	809.0
Deferred income taxes	**39.7**	33.2	16.0
Other assets	**185.4**	185.1	177.1
	8,096.9	8,083.6	8,556.6
Total assets	$ **10,010.1**	$ 9,961.9	$ 9,503.5
Liabilities and equity			
Current liabilities			
Bank indebtedness	$ **-**	$ 0.8	$ 18.9
Accounts payable and accrued charges	**649.6**	738.7	705.9
Provisions	**31.6**	25.4	69.3
Deferred revenue	**355.2**	346.8	339.7
Income taxes	**34.1**	13.3	35.2
Convertible debentures	**450.0**	450.0	-
Embedded derivatives related to convertible debentures	**470.4**	442.2	-
Current portion of long-term debt	**20.8**	20.4	51.8
	2,011.7	2,037.6	1,220.8
Non-current liabilities			
Long-term debt	**5,691.9**	5,516.2	5,616.9
Derivative financial instruments	**24.9**	34.1	0.3
Convertible debentures	**-**	-	500.0
Other liabilities	**214.9**	215.8	516.2
Deferred income taxes	**731.4**	749.2	624.8
	6,663.1	6,515.3	7,258.2
Equity			
Capital stock	**306.0**	313.9	323.3
Contributed surplus	**3.5**	3.5	2.3
Retained earnings	**561.2**	601.9	379.4
Accumulated other comprehensive loss	**(82.7)**	(50.7)	(106.1)
Equity attributable to shareholders	**788.0**	868.6	598.9
Non-controlling interests	**547.3**	540.4	425.6
	1,335.3	1,409.0	1,024.5
Total liabilities and equity	$ **10,010.1**	$ 9,961.9	$ 9,503.5