

# **QUEBECOR**



## **Supplementary Disclosure**

**Quarter / 9-Month Period  
Ended September 30, 2017**

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## QUEBECOR INC.

### Supplementary Disclosure September 30, 2017 Net Income (Loss) Attributable to Shareholders

	3rd Quarter		YTD	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net income (loss) per share (basic)	\$1.42	\$(0.07)	\$2.51	\$0.58
Net income per share, before gains and losses on valuation and translation of financial instruments, unusual items and discontinued operations	\$0.81	\$0.68	\$2.08	\$1.80

#### Reconciliation of earnings per share

	3rd Quarter		YTD	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net income per share, before gains and losses on valuation and translation of financial instruments, unusual items and discontinued operations	\$0.81	\$0.68	\$2.08	\$1.80
Other adjustments <sup>1</sup> :				
Unusual items	1.23	(0.19)	1.88	(0.25)
Loss on valuation and translation of financial instruments	(0.66)	(0.56)	(1.55)	(0.97)
Discontinued operations	0.04	-	0.10	-
Total	0.61	(0.75)	0.43	(1.22)
Reported net income (loss) per share (basic)	\$1.42	\$(0.07)	\$2.51	\$0.58

<sup>1</sup> After taxes and non-controlling interest.

# QUEBECOR INC.

## Supplementary Disclosure September 30, 2017 Debt

(all amounts in millions of Canadian dollars)

### Quebecor Inc.

Revolving credit facility due in 2019 (availability: \$300)	\$	118.9
Mortgage loan due in 2022		50.0
	<b>\$</b>	<b>168.9</b>

### Quebecor Media Inc.

Revolving credit facility due in 2020 (availability: \$300)	\$	-
Term Loan B due in 2020		418.1
5 3/4% Senior Notes due in 2023		1,060.1
6 5/8% Senior Notes due in 2023		500.0
		<u>1,978.2</u>

### Videotron Ltd.

Revolving credit facility due in 2021 (availability: \$965)		-
Export Financing due in 2018		10.7
5% Senior Notes due in 2022		997.8
5 3/8% Senior Notes due in 2024		748.3
5 5/8% Senior Notes due in 2025		400.0
5 3/4% Senior Notes due in 2026		375.0
5 1/8% Senior Notes due in 2027		748.3
		<u>3,280.1</u>

### TVA Group Inc.

Revolving credit facility due in 2019 (availability: \$150)		-
Term Loan due in 2019		65.4
		<u>65.4</u>

### Other debt

0.3

<b>Total Quebecor Media Inc.</b>	<b>\$</b>	<b>5,324.0</b>
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<b>TOTAL LONG TERM DEBT</b>	<b>\$</b>	<b>5,492.9</b>
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Bank indebtedness - QI		-
Bank indebtedness - QMI		-
Exchangeable debentures - QI		2.1
Convertible debentures (cost if settled in cash at maturity) - QI <sup>1</sup>		876.9
Liability (asset) related to cross-currency interest rate swaps (FX rate differential) - QI <sup>2</sup>		-
Liability (asset) related to cross-currency interest rate swaps (FX rate differential) - QMI <sup>2</sup>		(543.7)

### Cash and cash equivalents :

Quebecor Inc.		-
Quebecor Media Inc.		740.4
Videotron Ltd.	\$	679.6
Other 100% owned subsidiaries		35.6
TVA Group Inc.		25.2
	<b>\$</b>	<b>740.4</b>

<sup>1</sup> Based on the market value of a number of shares obtained by dividing the outstanding principal amount by the market price of a Quebecor Inc. Class B share on September 30, 2017, subject to a floor price of \$19.25 and a ceiling price of \$24.0625.

<sup>2</sup> Classified as "Derivative financial instruments" in Quebecor Media Inc. and Quebecor Inc.'s balance sheets.

## TELECOMMUNICATIONS

### Supplementary Disclosure September 30, 2017 Operating Results

	2017			2016	
	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
Revenue Generating Units ('000) <sup>1</sup>	5,846.2	5,795.8	5,795.4	5,765.4	5,703.1
Mobile Telephony Lines ('000)	990.3	953.3	920.9	893.9	867.7
Homes Passed ('000)	2,867.4	2,859.2	2,845.7	2,839.3	2,833.0
Cable Internet Subscribers ('000)	1,654.1	1,627.2	1,628.1	1,612.8	1,596.1
Penetration of Homes Passed	57.7%	56.9%	57.2%	56.8%	56.3%
Basic Subscribers ('000)	1,649.0	1,656.7	1,680.6	1,690.9	1,695.7
Penetration of Homes Passed	57.5%	57.9%	59.1%	59.6%	59.9%
Digital Set-Top Boxes ('000)	2,867.1	2,837.6	2,810.6	2,765.4	2,718.6
Digital Subscribers ('000)	1,603.9	1,596.8	1,595.1	1,587.1	1,570.8
Penetration of Homes Passed	55.9%	55.8%	56.1%	55.9%	55.4%
Cable Telephony Lines ('000)	1,205.4	1,221.0	1,241.3	1,253.1	1,265.1
Penetration of Homes Passed	42.0%	42.7%	43.6%	44.1%	44.7%
Over-the-Top Video Subscribers ('000)	347.4	337.6	324.5	314.7	278.5

  

	3rd Quarter			YTD		
	2017	2016	VAR	2017	2016	VAR
(in millions)						
Revenues						
Cable Television	\$252.0	\$252.7	-0.3%	\$756.1	\$768.1	-1.6%
Internet	260.7	245.7	6.1%	767.8	730.2	5.1%
Mobile Telephony	155.5	134.1	16.0%	447.9	373.3	20.0%
Cable Telephony	98.2	105.9	-7.3%	301.0	320.0	-5.9%
Business Solutions	30.9	28.4	8.8%	93.8	81.0	15.8%
Other	25.0	25.1	-0.4%	72.4	68.7	5.4%
Videotron	822.3	791.9	3.8%	2,439.0	2,341.3	4.2%
Retail and Eliminations	1.4	1.8	-22.2%	4.7	5.3	-11.3%
<b>Total Telecommunications Revenues</b>	<b>\$823.7</b>	<b>\$793.7</b>	<b>3.8%</b>	<b>\$2,443.7</b>	<b>\$2,346.6</b>	<b>4.1%</b>
EBITDA						
Videotron	\$379.1	\$362.9	4.5%	\$1,144.1	\$1,083.3	5.6%
Retail	0.2	0.7	-71.4%	1.1	1.5	-26.7%
<b>Total Telecommunications EBITDA</b>	<b>\$379.3</b>	<b>\$363.6</b>	<b>4.3%</b>	<b>\$1,145.2</b>	<b>\$1,084.8</b>	<b>5.6%</b>
Additions to PP&E and Intangible Assets (NCTA Standard Reporting Categories)						
Customer Premise Equipment	\$54.6	\$53.4		\$175.7	\$168.8	
Scalable Infrastructure	32.9	52.7		143.9	181.8	
Line Extensions	20.2	17.6		47.9	50.8	
Upgrade / Rebuild	14.7	14.3		44.5	48.3	
Support Capital and Other	39.1	42.7		116.9	151.5	
<b>Total Telecommunications</b>	<b>\$161.5</b>	<b>\$180.7</b>	<b>-10.6%</b>	<b>\$528.9</b>	<b>\$601.2</b>	<b>-12.0%</b>
Mobile Telephony ARPU	\$53.34 <sup>2</sup>	\$52.61		\$53.11	\$50.97	
Total ARPU	\$156.46	\$146.58		\$153.05	\$143.64	
Mobile Telephony Acquisition Costs	\$397	\$404				

<sup>1</sup> Revenue generating units are the sum of subscriptions to the cable television, cable Internet access and Club illico over-the-top video service, plus subscriber connections to the cable and mobile telephony services.

<sup>2</sup> Negative impact estimated at \$0.86 in connection with temporary measures to comply with CRTC's decision over Music Unlimited service.

## MEDIA

### Supplementary Disclosure September 30, 2017 Operating Results

	3rd Quarter			YTD		
	2017	2016	VAR	2017	2016	VAR
Lineage ('000)						
Paid Urban Dailies	5,590	5,672	-1.4%	17,155	19,366	-11.4%
(in millions)						
Revenues						
Advertising	\$20.7	\$21.9	-5.5%	\$63.7	\$72.9	-12.6%
Circulation	9.8	10.5	-6.7%	29.6	31.7	-6.6%
Digital	3.4	3.1	9.7%	9.7	9.7	0.0%
Other	11.2	11.6	-3.4%	34.5	34.2	0.9%
<b>Newspaper Publishing Revenues</b>	<b>45.1</b>	<b>47.1</b>	<b>-4.2%</b>	<b>137.5</b>	<b>148.5</b>	<b>-7.4%</b>
Advertising	51.1	45.7	11.8%	192.5	174.3	10.4%
Subscription	32.3	28.7	12.5%	96.7	86.6	11.7%
Other	10.7	14.0	-23.6%	32.9	38.5	-14.5%
<b>Broadcasting Revenues</b>	<b>94.1</b>	<b>88.4</b>	<b>6.4%</b>	<b>322.1</b>	<b>299.4</b>	<b>7.6%</b>
Other <sup>1</sup>	92.4	86.2	7.2%	213.8	224.1	-4.6%
<b>Total Media Revenues</b>	<b>\$231.6</b>	<b>\$221.7</b>	<b>4.5%</b>	<b>\$673.4</b>	<b>\$672.0</b>	<b>0.2%</b>
EBITDA						
Newspaper Publishing	\$2.5	\$4.4	-43.2%	\$3.9	\$8.2	-52.4%
Broadcasting	19.9	11.2	77.7%	25.6	4.9	422.4%
Other	23.4	18.9	23.8%	28.7	25.6	12.1%
<b>Total Media EBITDA</b>	<b>\$45.8</b>	<b>\$34.5</b>	<b>32.8%</b>	<b>\$58.2</b>	<b>\$38.7</b>	<b>50.4%</b>

<sup>1</sup> Includes the publishing and distribution of books and magazines, the distribution and production of music, the operation of an out-of-home advertising business and the operation of studio, soundstage and equipment leasing and post-production services for the film and television industries.

## QUEBECOR INC.

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### Supplementary Disclosure September 30, 2017 Shares Held in Subsidiaries

	<u>Number of shares</u>	<u>Equity (%)</u>	<u>Voting (%)</u>
<b><u>Shares held by Quebecor Inc.</u></b>			
Quebecor Media Inc.	77,812,366	81.5%	81.5%
<b><u>Shares held by Quebecor Media Inc.</u></b>			
TVA Group Inc.	29,539,364	68.4%	99.9%

# QUEBECOR INC.

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## Supplementary Disclosure September 30, 2017 Note to Investors

### **Note to Investors**

Investors should note that this Supplementary Disclosure document presents financial information for Quebecor Inc. on a consolidated basis as well as for Quebecor Media Inc. and two of its reporting segments: Telecommunications and Media. The financial figures included in this document are reported in Canadian dollars.

### **Detailed Financial Information**

For a detailed analysis of Quebecor Inc.'s results for the third quarter of 2017, please refer to the Management Discussion and Analysis and Condensed Consolidated Financial Statements of Quebecor Inc., available on the Company's website at [http://www.quebecor.com/en/quarterly\\_doc\\_quebecor\\_inc](http://www.quebecor.com/en/quarterly_doc_quebecor_inc) or from the SEDAR filing service at <http://www.sedar.com>.

### **Non-IFRS Financial Measures**

The non-IFRS financial measures used by the Corporation to assess its financial performance, such as adjusted operating income, adjusted income from continuing operating activities, cash flows from segment operations and free cash flows from continuing operating activities of the Quebecor Media subsidiary are not calculated in accordance with or recognized by IFRS. The Corporation's method of calculating these non-IFRS financial measures may differ from the methods used by other companies and, as a result, the non-IFRS financial measures presented in this document may not be comparable to other similarly titled measures disclosed by other companies. We refer investors to our Management Discussion and Analysis for the third quarter of 2017 under "Non-IFRS Financial Measures" for a complete description of these measures as well as a reconciliation to the most directly comparable measure calculated in accordance with IFRS.