July 31, 2014

For immediate release

QUEBECOR INC. REPORTS CONSOLIDATED RESULTS FOR SECOND QUARTER 2014

Montréal, Québec – Quebecor Inc. ("Quebecor" or the "Corporation") today reported its consolidated financial results for the second quarter of 2014. Quebecor consolidates the financial results of its Quebecor Media Inc. ("Quebecor Media") subsidiary, in which it holds a 75.4% interest.

Highlights

Second quarter 2014

- Revenues up $6.0 million (0.6%) to $1.07 billion.
- Adjusted operating income[1] up $13.6 million (3.7%) to $385.9 million despite the unfavourable impact on the comparative results of a one-time $5.8 million adjustment to Canadian Radio-television and Telecommunications Commission ("CRTC") fees in 2013.
- Net loss attributable to shareholders: $54.8 million ($0.45 per basic share) in the second quarter of 2014 compared with $93.6 million ($0.75 per basic share) in the same period of 2013, a favourable variance of $38.8 million ($0.30 per basic share).
- Adjusted income from continuing operations[2]: $66.0 million ($0.54 per basic share) in the second quarter of 2014, compared with $53.0 million ($0.43 per basic share) in the same period of 2013, an increase of $13.0 million ($0.11 per basic share).
- The Telecommunications segment grew its revenues by $20.7 million (3.1%) and its adjusted operating income by $10.7 million (3.3%) in the second quarter of 2014. Mobile telephony revenues were up $13.7 million or 25.8% and Internet access revenues were up $10.5 million or 5.1%.
- The News Media segment's adjusted operating income was up $6.1 million (20.8%) in the second quarter of 2014. The sale of 74 Québec weeklies to Transcontinental Interactive Inc ("Transcontinental Interactive"), a subsidiary of Transcontinental Inc. ("Transcontinental"), for a cash consideration of $75.0 million closed on June 1, 2014.
- On April 28, 2014, Pierre Dion was appointed President and CEO of Quebecor and Quebecor Media, replacing Robert Dépatie, who resigned for health reasons. Manon Brouillette was named President and CEO of Videotron Ltd. ("Videotron") on May 7, 2014.
- On June 19, 2014, at the Corporation's Annual Meeting of Shareholders, the Right Honourable Brian Mulroney was named Chairman of the Board of Quebecor.
- On July 31, 2014. Quebecor announced the creation of Media Group, a new segment dedicated to entertainment and news media. Media Group includes the operations of TVA Group Inc. ("TVA Group"), Sun Media Corporation, QMI Agency, QMI Out of Home, Quebecor Media Sales, Messageries Dynamiques, and Quebecor Media Printing Inc. Julie Tremblay was named President and CEO of the new segment. She will also serve as President and CEO of TVA Group.

"In the second quarter of 2014, Quebecor posted a $13.6 million increase in adjusted operating income and a 24.5% increase in adjusted income from continuing operations," noted Pierre Dion, President and CEO of Quebecor. "Once again, the strong results were propelled by the Telecommunications segment's performance, combined with successful cost-containment and reduction

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1 *See* "Adjusted operating income" under "Definitions."

2 *See* "Adjusted income from continuing operations" under "Definitions."

initiatives in our News Media segment and the positive impact of various refinancing operations completed at advantageous interest rates.

“The News Media segment will continue its repositioning with the creation of Media Group. The new entity will maximize our group’s strengths by pooling its talents in order to provide even better, more diverse and more distinctive content. Media Group will enhance our capability to push content across all our platforms more effectively and more nimbly, taking the convergence strategy that undergirds our success to the next level.”

“Videotron continued its growth in the second quarter of 2014, increasing its revenues by $20.7 million or 3.1%, and its adjusted operating income by $10.7 million, despite the $4.7 million unfavourable impact of CRTC fees,” said Manon Brouillette, President and CEO of Videotron. “Average monthly revenue per user (“ARPU”) rose to $123.61, up $6.37 (5.4%) from the second quarter of 2013. Our mobile telephony service made substantial gains, adding more than 100,000 subscriber connections over the past 12 months. Videotron continues to demonstrate its formidable capacity to innovate and launch new products, such as its new illico app for the iPad and a next-generation Wi-Fi router that is compatible with the latest wireless technology.”

“The adjusted operating income of the News Media segment, now part of Media Group, jumped 20.8%, despite a 7.3% decrease in revenues,” said Julie Tremblay, President and CEO of Media Group. “The numbers reflect the positive impact of the major cost-reduction and repositioning initiatives implemented over the past few years.”

In the Broadcasting segment, on July 1, 2014 TVA Sports became the official French-language broadcaster of the National Hockey League for the next 12 years. TVA Group reached agreements with TELUS and Cogeco Cable Canada whereby TELUS and Cogeco customers will have access to TVA content on demand and to the TVA Sports and TVA Sports 2 specialty channels. TVA Group also announced that the successful television program *La Voix* will be back for a third season in winter 2015.

“Quebecor’s solid year-to-date consolidated financial results were driven by the pursuit of its business plan in its growth sectors and the refocusing and transformation of its more traditional media outlets,” said Pierre Dion. “The Corporation remains favourably positioned to achieve its business development, growth and profitability objectives in the second half of 2014 and subsequent quarters.”

Table 1

Quebecor second quarter financial highlights, 2010 to 2014

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

	2014	2013[1]	2012	2011	2010
Revenues	**$ 1,069.2**	$ 1,063.2	$ 1,053.8	$ 1,019.9	$ 967.7
Adjusted operating income	**385.9**	372.3	358.1	356.8	348.6
(Loss) income from continuing operations attributable to shareholders	**(61.2)**	(119.7)	66.5	53.6	59.2
Net (loss) income attributable to shareholders	**(54.8)**	(93.6)	65.5	54.0	60.4
Adjusted income from continuing operations	**66.0**	53.0	48.2	58.3	61.3
Per basic share[2]:					
(Loss) income from continuing operations attributable to shareholders	**(0.50)**	(0.96)	0.52	0.42	0.46
Net (loss) income attributable to shareholders	**(0.45)**	(0.75)	0.52	0.42	0.47
Adjusted income from continuing operations	**0.54**	0.43	0.38	0.45	0.48

1 The financial figures for 2013 have been restated to reflect changes to the accounting policy for the accounting of convertible debentures.

2 The per basic share data have been retroactively adjusted to reflect the two-for-one split of the Corporation's shares on August 14, 2013.

Discontinued operations

Quebecor Media announced that it was abandoning door-to-door distribution of community newspapers and flyers in Québec and discontinuing distribution of the Le Sac Plus doorknob bag as of January 2014. On June 1, 2014, Quebecor Media finalized the sale of 74 Québec weeklies to Transcontinental Interactive, a subsidiary of Transcontinental, for a cash consideration of $75.0 million. Quebecor Media sold its specialized websites *Jobboom* and *Réseau Contact* on June 1, 2013 for a total cash consideration of $59.2 million, net of disposed-of cash in the amount of $5.8 million. The operating results and cash flows related to those businesses, as well as the $7.9 million gain on the sale of the 74 Québec weeklies and the $37.6 million gain on the sale of the two websites, were reclassified as discontinued operations in the consolidated statements of income and cash flows.

Changes in accounting policies

Although market participants submitted various interpretations to the IFRS Interpretations Committee, as per the report released by the Committee in May 2014, a financial instrument that is mandatorily convertible into a variable number of shares, subject to a cap and a floor, should be classified in its entirety as a liability. As such, the Corporation changed retrospectively its accounting policy for the accounting of its convertible debentures to be in line with the IFRS Interpretations Committee discussions.

2014/2013 second quarter comparison

Revenues: $1.07 billion, a $6.0 million (0.6%) increase.

- Revenues increased in Telecommunications ($20.7 million or 3.1% of segment revenues) and in Interactive Technologies and Communications ($1.5 million or 4.2%).
- Revenues decreased in News Media ($14.6 million or -7.3%), Leisure and Entertainment ($3.2 million or -4.8%) and Broadcasting ($1.4 million or -1.2%).

Adjusted operating income: $385.9 million, a $13.6 million (3.7%) increase.

- Adjusted operating income increased in Telecommunications ($10.7 million or 3.3% of segment adjusted operating income) and News Media ($6.1 million or 20.8%).
- Adjusted operating income decreased in Leisure and Entertainment ($3.6 million), Broadcasting ($0.4 million or -2.3%) and Interactive Technologies and Communications ($0.2 million or -4.5%).
- The change in the fair value of Quebecor Media stock options resulted in a $0.9 million unfavourable variance in the stock-based compensation charge in the second quarter of 2014 compared with the same period of 2013. The change in the fair value of Quebecor stock options and the impact of various transactions on the options issued under this program resulted in a $6.8 million favourable variance in the Corporation's stock-based compensation charge in the second quarter of 2014.

Net loss attributable to shareholders: $54.8 million ($0.45 per basic share) in the second quarter of 2014, compared with $93.6 million ($0.75 per basic share) in the same period of 2013, a favourable variance of $38.8 million ($0.30 per basic share).

- The favourable variance was due primarily to:
  - $269.8 million favourable variance in gains and losses on valuation and translation of financial instruments;
  - $18.9 million loss on debt refinancing recorded in the second quarter of 2013;
  - $14.3 million decrease in financial expenses;
  - $13.6 million increase in adjusted operating income.

  Partially offset by:
  - recognition of a $190.0 million non-cash charge for impairment of goodwill and intangible assets, without any tax consequences, in the second quarter of 2014;
  - $26.1 million unfavourable variance in the gain on discontinued operations;
  - $6.0 million increase in the amortization charge.

In the second quarter of 2014, Quebecor Media recognized a $190.0 million non-cash goodwill impairment charge without any tax consequences in the News Media segment, in accordance with International Financial Reporting Standards ("IFRS") accounting valuation principles. The charge reflects the impact of the transition to digital and challenging market conditions in the newspaper industry.

Adjusted income from continuing operations: $66.0 million ($0.54 per basic share) in the second quarter of 2014, compared with $53.0 million ($0.43 per basic share) in the same period of 2013, an increase of $13.0 million ($0.11 per basic share).

2014/2013 year-to-date comparison

Revenues: $2.11 billion, a $17.4 million (0.8%) increase.

- Revenues increased in Telecommunications ($52.5 million or 3.9% of segment revenues) and in Interactive Technologies and Communications ($1.4 million or 2.0%).
- Revenues decreased in News Media ($30.6 million or -7.9%), Broadcasting ($6.2 million or -2.7%), and Leisure and Entertainment ($5.9 million or -4.5%).

Adjusted operating income: $732.4 million, a $35.1 million (5.0%) increase.

- Adjusted operating income increased in Telecommunications ($32.6 million or 5.1% of segment adjusted operating income), News Media ($6.5 million or 14.7%), Interactive Technologies and Communications ($1.1 million or 19.3%) and Head Office ($8.1 million). The increase at Head Office was caused mainly by the favourable variance in the fair value of stock options.
- Adjusted operating income decreased in Broadcasting ($7.5 million or -55.6%) and Leisure and Entertainment ($5.7 million).
- The change in the fair value of Quebecor Media stock options resulted in a $2.8 million unfavourable variance in the stock-based compensation charge in the first half of 2014 compared with the same period of 2013. The change in the fair value of Quebecor stock options resulted in a $15.2 million favourable variance in the Corporation's consolidated stock-based compensation charge in the first half of 2014.

Net loss attributable to shareholders: $15.7 million ($0.13 per basic share) in the first half of 2014, compared with $100.1 million ($0.80 per basic share) in the same period of 2013, a favourable variance of $84.4 million ($0.67 per basic share).

- The favourable variance was due primarily to:
  - $304.7 million favourable variance in gains and losses on valuation and translation of financial instruments;
  - $35.1 million increase in adjusted operating income;
  - $20.5 million decrease in financial expenses.

  Partially offset by:
  - recognition of a $190.0 million non-cash charge for impairment of goodwill and intangible assets, without any tax consequences, in the first half of 2014;
  - $22.9 million unfavourable variance in the gain on discontinued operations;
  - $13.6 million increase in the amortization charge.

Adjusted income from continuing operations: $112.7 million in the first half of 2014 ($0.92 per basic share), compared with $86.7 million ($0.70 per basic share) in the same period of 2013, an increase of $26.0 million ($0.22 per basic share).

Financing

The following financial transactions have been concluded since the end of the first quarter of 2014:

- On April 9, 2014, Videotron issued US$600.0 million aggregate principal amount of 5.375% Senior Notes maturing on June 15, 2024, for net proceeds of $654.5 million, net of financing fees of $7.8 million. Videotron fully hedged the exchange risk on the new Senior Notes by means of cross-currency interest rate swaps. It also converted the fixed interest rate on a US$158.6 million tranche of the Senior Notes to a floating rate.
- Videotron used the proceeds from the April 9, 2014 issuance of Senior Notes to prepay and withdraw on April 24, 2014 US$260 million principal amount of its outstanding 9.125% Senior Notes, issued on March 5, 2009 and maturing on April 15, 2018, to repay drawings under its revolving credit facility, to pay transaction fees and expenses, and for general corporate purposes. Strong demand enabled Videotron to upsize the offering with favorable pricing, which clearly demonstrates the strength of the subsidiary's business and credit profile.
- On April 25, 2014, Quebecor Media completed the redemption and early repayment of all of its outstanding 7.75% Senior Notes in the aggregate principal amount of US$380.0 million, issued on October 5, 2007 and maturing on March 15, 2016, and unwound the hedges in an asset position.

Dividend

On July 30, 2014, the Board of Directors of Quebecor declared a quarterly dividend of $0.025 per share on its Class A Multiple Voting Shares ("Class A Shares") and Class B Subordinate Voting Shares ("Class B Shares"), payable on September 9, 2014 to shareholders of record at the close of business on August 5, 2014. This dividend is designated to be an eligible dividend, as provided under subsection 89(14) of the *Canadian Income Tax Act* and its provincial counterpart.

Normal course issuer bid

On July 30, 2014, the Board of Directors of Quebecor authorized the renewal of its normal course issuer bid for a maximum of 500,000 Class A Shares representing approximately 1.3% of issued and outstanding Class A Shares, and for a maximum of 2,000,000 Class B Shares representing approximately 2.4% of issued and outstanding Class B Shares as of July 29, 2014.

The purchases will be made from August 13, 2014 to August 12, 2015, at prevailing market prices, on the open market through the facilities of the Toronto Stock Exchange, and will be made in accordance with the requirements of said Exchange. All shares purchased under the bid will be cancelled. As of July 29, 2014, 39,000,672 Class A Shares and 83,875,792 Class B Shares were issued and outstanding.

The average daily trading volume of the Corporation's Class A Shares and Class B Shares from January 1, 2014 to June 30, 2014 was 870 Class A Shares and 412,399 Class B Shares. Consequently, the Corporation will be authorized to purchase a maximum of 1,000 Class A Shares and 103,099 Class B Shares during the same trading day, pursuant to its normal course issuer bid.

The Corporation believes that the repurchase of these shares under this normal course issuer bid is in the best interests of the Corporation and its shareholders.

Shareholders may obtain a copy of the Notice filed with the Toronto Stock Exchange, without charge, by contacting the Office of the Secretary of the Corporation at 514 380-1994.

Detailed financial information

For a detailed analysis of Quebecor's second quarter 2014 results, please refer to the Management Discussion and Analysis and consolidated financial statements of Quebecor, available on the Corporation's website at:
<http://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 second quarter 2014 results on July 31, 2014, at 11:00 a.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 45336#. A tape recording of the call will be available from July 31 to October 30, 2014 by dialling 1 877 293-8133, conference number 1161708, access code for participants 78620#. 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), insurance risk, risks associated with capital investment (including risks related to technological development and equipment availability and breakdown), environmental risks, risks associated with labour agreements, risks associated with commodities and energy prices (including fluctuations in the cost and availability of raw materials), 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, 2013.

The forward-looking statements in this press release reflect Quebecor's expectations as of July 31, 2014, 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.

The Corporation

Quebecor, a Canadian telecommunications, entertainment and news media leader, 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 firmly based in Québec. It holds a 75.36% interest in Quebecor Media, which employs nearly 15,000 people in Canada.

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

Visit our Web site: <www.quebecor.com>

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DEFINITIONS

Adjusted operating income

In its analysis of operating results, the Corporation defines adjusted operating income, as reconciled to net loss under IFRS, as net loss before amortization, financial expenses, gain (loss) on valuation and translation of financial instruments, charge for restructuring of operations, impairment of assets and other special items, charge for impairment of goodwill, loss on debt refinancing, income tax (expense) recovery, and income from discontinued operations. Adjusted operating income as defined above is not a measure of results that is consistent with IFRS. It is not intended to be regarded as an alternative to other financial operating performance measures or to the statement of cash flows as a measure of liquidity. It should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Corporation uses adjusted operating income in order to assess the performance of its investment in Quebecor Media. The Corporation's management and Board of Directors use this measure in evaluating its consolidated results as well as the results of the Corporation's operating segments. This measure eliminates the significant level of impairment and amortization of tangible and intangible assets and is unaffected by the capital structure or investment activities of the Corporation and its 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.

Table 2 below provides a reconciliation of adjusted operating income to net loss as disclosed in Quebecor's condensed consolidated financial statements.

Table 2

Reconciliation of the adjusted operating income measure used in this press release to the net loss measure used in the condensed consolidated financial statements

(in millions of Canadian dollars)

	Three months ended June 30		Six months ended June 30	
	2014	2013	**2014**	2013
Adjusted operating income (loss):				
Telecommunications	**$ 331.1**	$ 320.4	**$ 665.7**	$ 633.1
News Media	**35.4**	29.3	**50.8**	44.3
Broadcasting	**16.8**	17.2	**6.0**	13.5
Leisure and Entertainment	**(2.5)**	1.1	**(4.5)**	1.2
Interactive Technologies and Communications	**4.2**	4.4	**6.8**	5.7
Head Office	**0.9**	(0.1)	**7.6**	(0.5)
	385.9	372.3	**732.4**	697.3
Amortization	**(170.2)**	(164.2)	**(339.8)**	(326.2)
Financial expenses	**(87.5)**	(101.8)	**(181.8)**	(202.3)
Gain (loss) on valuation and translation of financial instruments	**20.8**	(249.0)	**23.7**	(281.0)
Restructuring of operations, impairment of assets and other special items	**(9.4)**	(7.6)	**(10.9)**	(9.2)
Impairment of goodwill	**(190.0)**	–	**(190.0)**	–
Loss on debt refinancing	**–**	(18.9)	**(18.7)**	(18.9)
Income tax (expense) recovery	**(32.9)**	30.2	**(50.4)**	8.8
Income from discontinued operations	**8.5**	34.6	**7.8**	30.7
Net loss	**$ (74.8)**	$ (104.4)	**$ (27.7)**	$ (100.8)

Adjusted income from continuing operations

The Corporation defines adjusted income from continuing operations, as reconciled to net loss attributable to shareholders under IFRS, as net loss attributable to shareholders before gain on valuation and translation of financial instruments, charge for restructuring of operations, impairment of assets and other special items, impairment of goodwill and loss on debt refinancing, net of income tax related to adjustments and net loss attributable to non-controlling interests related to adjustments, before income from discontinued operations attributable to shareholders. Adjusted income from continuing operations, 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 operations 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 operations is more representative for the purpose of forecasting income. The Corporation's definition of adjusted income from continuing operations may not be identical to similarly titled measures reported by other companies.

Table 3 provides a reconciliation of adjusted income from continuing operations to net loss attributable to shareholders used in Quebecor's condensed consolidated financial statements.

Table 3

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

(in millions of Canadian dollars)

	Three months ended June 30		Six months ended June 30	
	2014	2013	**2014**	2013
Adjusted income from continuing operations	**$ 66.0**	$ 53.0	**$ 112.7**	$ 86.7
Gain (loss) on valuation and translation of financial instruments	**20.8**	(249.0)	**23.7**	(281.0)
Restructuring of operations, impairment of assets and other special items	**(9.4)**	(7.6)	**(10.9)**	(9.2)
Impairment of goodwill	**(190.0)**	–	**(190.0)**	–
Loss on debt refinancing	**–**	(18.9)	**(18.7)**	(18.9)
Income taxes related to adjustments[1]	**2.5**	60.2	**9.9**	56.9
Net loss attributable to non-controlling interest related to adjustments	**48.9**	42.6	**51.7**	42.3
Discontinued operations	**6.4**	26.1	**5.9**	23.1
Net loss attributable to shareholders	**$ (54.8)**	$ (93.6)	**$ (15.7)**	$ (100.1)

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

Average monthly revenue per user

ARPU is an industry metric that the Corporation uses to measure its monthly cable television, Internet access, cable and mobile telephony revenues per average basic cable customer. ARPU is not a measurement that is consistent with IFRS and the Corporation's definition and calculation of ARPU may not be the same as identically titled measurements reported by other companies. The Corporation calculates ARPU by dividing its combined cable television, Internet access, and cable and mobile telephony revenues by the average number of basic customers during the applicable period, and then dividing the resulting amount by the number of months in the applicable period.

QUEBECOR INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

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

	Three months ended June 30		Six months ended June 30	
	2014	2013 (restated)	**2014**	2013 (restated)
Revenues	**$ 1,069.2**	$ 1,063.2	**$ 2,107.3**	$ 2,089.9
Employee costs	**234.8**	252.0	**469.7**	507.9
Purchase of goods and services	**448.5**	438.9	**905.2**	884.7
Amortization	**170.2**	164.2	**339.8**	326.2
Financial expenses	**87.5**	101.8	**181.8**	202.3
(Gain) loss on valuation and translation of financial instruments	**(20.8)**	249.0	**(23.7)**	281.0
Restructuring of operations, impairment of assets and other special items	**9.4**	7.6	**10.9**	9.2
Impairment of goodwill	**190.0**	-	**190.0**	-
Loss on debt refinancing	**-**	18.9	**18.7**	18.9
(Loss) income before income taxes	**(50.4)**	(169.2)	**14.9**	(140.3)
Income taxes (recovery):				
Current	**26.8**	30.4	**33.2**	54.6
Deferred	**6.1**	(60.6)	**17.2**	(63.4)
	32.9	(30.2)	**50.4**	(8.8)
Loss from continuing operations	**(83.3)**	(139.0)	**(35.5)**	(131.5)
Income from discontinued operations	**8.5**	34.6	**7.8**	30.7
Net loss	**$ (74.8)**	$ (104.4)	**$ (27.7)**	$ (100.8)
Loss from continuing operations attributable to				
Shareholders	**$ (61.2)**	$ (119.7)	**$ (21.6)**	$ (123.2)
Non-controlling interests	**(22.1)**	(19.3)	**(13.9)**	(8.3)
Net loss attributable to				
Shareholders	**$ (54.8)**	$ (93.6)	**$ (15.7)**	$ (100.1)
Non-controlling interests	**(20.0)**	(10.8)	**(12.0)**	(0.7)
Earnings per share attributable to shareholders				
Basic:				
From continuing operations	**$ (0.50)**	$ (0.96)	**$ (0.18)**	$ (0.99)
From discontinued operations	**0.05**	0.21	**0.05**	0.19
Net loss	**(0.45)**	(0.75)	**(0.13)**	(0.80)
Diluted:				
From continuing operations	**(0.56)**	(0.96)	**(0.26)**	(0.99)
From discontinued operations	**0.05**	0.21	**0.04**	0.19
Net loss	**(0.51)**	(0.75)	**(0.22)**	(0.80)
Weighted average number of shares outstanding (in millions)	**123.0**	124.3	**123.0**	124.5
Weighted average number of diluted shares (in millions)	**143.8**	124.3	**143.8**	124.5

QUEBECOR INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars)
(unaudited)

	Three months ended June 30		Six months ended June 30	
	2014	2013 (restated)	**2014**	2013 (restated)
Net loss	**$ (74.8)**	$ (104.4)	**$ (27.7)**	$ (100.8)
Other comprehensive loss:				
Items that may be reclassified to income:				
(Loss) gain on translation of net investments in foreign operations	**(2.1)**	4.1	**(0.2)**	5.2
Cash flow hedges:				
Gain (loss) on valuation of derivative financial instruments	**3.3**	(2.6)	**(8.3)**	(28.5)
Deferred income taxes	**8.4**	(4.2)	**0.7**	(3.4)
Reclassification to income:				
Gain related to cash flow hedges	**-**	(6.5)	**(10.8)**	(6.5)
Deferred income taxes	**-**	0.2	**0.4**	0.2
	9.6	(9.0)	**(18.2)**	(33.0)
Comprehensive loss	**$ (65.2)**	$ (113.4)	**$ (45.9)**	$ (133.8)
Comprehensive loss attributable to				
Shareholders	**$ (47.6)**	$ (100.4)	**$ (29.5)**	$ (125.0)
Non-controlling interests	**(17.6)**	(13.0)	**(16.4)**	(8.8)

QUEBECOR INC. AND ITS SUBSIDIARIES
SEGMENTED INFORMATION

(in millions of Canadian dollars)
(unaudited)

Three months ended June 30,2014

	Telecommu-nications	News Media	Broad-casting	Leisure and Enter-tainment	Interactive Techno-logies and Communi-cations	Head office and Inter-segments	Total
Revenues	$ 695.2	$ 186.6	$ 113.8	$ 62.8	$ 37.3	$ (26.5)	$ 1,069.2
Employee costs	84.9	58.6	35.7	14.2	24.6	16.8	234.8
Purchase of goods and services	279.2	92.6	61.3	51.1	8.5	(44.2)	448.5
Adjusted operating income[1]	331.1	35.4	16.8	(2.5)	4.2	0.9	385.9
Amortization							170.2
Financial expenses							87.5
Gain on valuation and translation of financial instruments							(20.8)
Restructuring of operations, impairment of assets and other special items							9.4
Impairment of goodwill							190.0
Loss before income taxes							$ (50.4)
Additions to property, plant and equipment	$ 156.0	$ 0.7	$ 5.6	$ 1.5	$ 0.3	$ 0.2	$ 164.3
Additions to intangible assets	186.1	0.7	0.7	2.3	-	-	189.8

Three months ended June 30, 2013
(restated)

	Telecommu-nications	News Media	Broad-casting	Leisure and Enter-tainment	Interactive Techno-logies and Communi-cations	Head office and Inter-segments	Total
Revenues	$ 674.5	$ 201.2	$ 115.2	$ 66.0	$ 35.8	$ (29.5)	$ 1,063.2
Employee costs	88.0	71.7	36.7	14.6	23.4	17.6	252.0
Purchase of goods and services	266.1	100.2	61.3	50.3	8.0	(47.0)	438.9
Adjusted operating income[1]	320.4	29.3	17.2	1.1	4.4	(0.1)	372.3
Amortization							164.2
Financial expenses							101.8
Loss on valuation and translation of financial instruments							249.0
Restructuring of operations, impairment of assets and other special items							7.6
Loss on debt refinancing							18.9
Loss before income taxes							$ (169.2)
Additions to property, plant and equipment	$ 126.8	$ 2.1	$ 4.4	$ 0.5	$ 0.4	$ 0.8	$ 135.0
Additions to intangible assets	10.6	2.8	0.4	2.2	-	(0.2)	15.8

QUEBECOR INC. AND ITS SUBSIDIARIES
SEGMENTED INFORMATION (continued)

(in millions of Canadian dollars)
(unaudited)

Six months ended June 30,2014

	Telecommu-nications	News Media	Broad-casting	Leisure and Enter-tainment	Interactive Techno-logies and Communi-cations	Head office and Inter-segments	Total
Revenues	**$ 1,387.9**	**$ 355.8**	**$ 222.7**	**$ 124.4**	**$ 72.4**	**$ (55.9)**	**$ 2,107.3**
Employee costs	**172.1**	**120.5**	**71.5**	**28.8**	**49.0**	**27.8**	**469.7**
Purchase of goods and services	**550.1**	**184.5**	**145.2**	**100.1**	**16.6**	**(91.3)**	**905.2**
Adjusted operating income[1]	**665.7**	**50.8**	**6.0**	**(4.5)**	**6.8**	**7.6**	**732.4**
Amortization							**339.8**
Financial expenses							**181.8**
Gain on valuation and translation of financial instruments							**(23.7)**
Restructuring of operations, impairment of assets and other special items							**10.9**
Impairment of goodwill							**190.0**
Loss on debt refinancing							**18.7**
Income before income taxes							**$ 14.9**
Additions to property, plant and equipment	**$ 299.0**	**$ 2.5**	**$ 14.3**	**$ 3.8**	**$ 0.8**	**$ 0.2**	**$ 320.6**
Additions to intangible assets	**255.0**	**2.1**	**1.5**	**3.2**	**-**	**(0.2)**	**261.6**

Six months ended June 30, 2013
(restated)

	Telecommu-nications	News Media	Broad-casting	Leisure and Enter-tainment	Interactive Techno-logies and Communi-cations	Head office and Inter-segments	Total
Revenues	$ 1,335.4	$ 386.4	$ 228.9	$ 130.3	$ 71.0	$ (62.1)	$ 2,089.9
Employee costs	176.2	143.8	74.5	29.4	48.4	35.6	507.9
Purchase of goods and services	526.1	198.3	140.9	99.7	16.9	(97.2)	884.7
Adjusted operating income[1]	633.1	44.3	13.5	1.2	5.7	(0.5)	697.3
Amortization							326.2
Financial expenses							202.3
Loss on valuation and translation of financial instruments							281.0
Restructuring of operations, impairment of assets and other special items							9.2
Impairment of goodwill							-
Loss on debt refinancing							18.9
Loss before income taxes							$ (140.3)
Additions to property, plant and equipment	$ 272.4	$ 4.3	$ 9.8	$ 1.0	$ 1.2	$ 1.0	$ 289.7
Additions to intangible assets	23.6	3.8	1.0	2.9	-	(0.1)	31.2

[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 defined as net loss before amortization, financial expenses, gain (loss) on valuation and translation of financial instruments, restructuring of operations, impairment of assets and other special items, impairment of goodwill, loss on debt refinancing, income taxes and income from discontinued operations.

QUEBECOR INC. AND ITS SUBSIDIARIES
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	Equity component of convertible debentures	Retained earnings	Accumulated other comprehensive income (loss)		
Balance as of December 31, 2012, as previously reported	$ 335.1	$ 2.3	$ 398.3	$ 624.6	$ (50.3)	$ 631.3	$ 1,941.3
Changes in accounting policies	-	-	(398.3)	(2.0)	-	-	(400.3)
Balance as of December 31, 2012, as restated	335.1	2.3	-	622.6	(50.3)	631.3	1,541.0
Net loss	-	-	-	(100.1)	-	(0.7)	(100.8)
Other comprehensive loss	-	-	-	-	(24.9)	(8.1)	(33.0)
Repurchase of Class B Shares	(3.8)	-	-	(17.8)	-	-	(21.6)
Dividends	-	-	-	(6.2)	-	(12.5)	(18.7)
Business acquisition	-	-	-	-	-	0.3	0.3
Balance as of June 30, 2013	331.3	2.3	-	498.5	(75.2)	610.3	1,367.2
Net loss	-	-	-	(188.5)	-	(31.4)	(219.9)
Other comprehensive income	-	-	-	-	52.1	29.5	81.6
Repurchase of Class B Shares	(2.4)	-	-	(12.4)	-	-	(14.8)
Dividends	-	-	-	(6.2)	-	(12.5)	(18.7)
Balance as of December 31, 2013	328.9	2.3	-	291.4	(23.1)	595.9	1,195.4
Net loss	-	-	-	(15.7)	-	(12.0)	(27.7)
Other comprehensive loss	-	-	-	-	(13.8)	(4.4)	(18.2)
Repurchase of Class B Shares	(1.7)	-	-	(10.0)	-	-	(11.7)
Acquisition of non-controlling interests	-	-	-	(0.1)	-	0.1	-
Dividends	-	-	-	(6.2)	-	(12.5)	(18.7)
Balance as of June 30, 2014	**$ 327.2**	**$ 2.3**	**$ -**	**$ 259.4**	**$ (36.9)**	**$ 567.1**	**$ 1,119.1**

QUEBECOR INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars)
(unaudited)

	Three months ended June 30		Six months ended June 30	
	2014	2013	**2014**	2013
		(restated)		(restated)
Cash flows related to operating activities				
Loss from continuing operations	**$ (83.3)**	$ (139.0)	**$ (35.5)**	$ (131.5)
Adjustments for:				
Amortization of property, plant and equipment	**136.6**	128.4	**272.2**	254.6
Amortization of intangible assets	**33.6**	35.8	**67.6**	71.6
(Gain) loss on valuation and translation of financial instruments	**(20.8)**	249.0	**(23.7)**	281.0
Impairment of assets	**-**	1.3	**-**	1.7
Impairment of goodwill	**190.0**	-	**190.0**	-
Loss on debt refinancing	**-**	18.9	**18.7**	18.9
Amortization of financing costs and long-term debt discount	**1.9**	3.2	**4.9**	6.3
Deferred income taxes	**6.1**	(60.6)	**17.2**	(63.4)
Other	**(1.2)**	(2.0)	**1.2**	(0.2)
	262.9	235.0	**512.6**	439.0
Net change in non-cash balances related to operating activities	**(48.9)**	(93.0)	**(121.4)**	(167.6)
Cash flows provided by continuing operating activities	**214.0**	142.0	**391.2**	271.4
Cash flows related to investing activities				
Business disposals	**73.7**	52.8	**73.7**	52.8
Additions to property, plant and equipment	**(164.3)**	(135.0)	**(320.6)**	(289.7)
Additions to intangible assets	**(189.8)**	(15.8)	**(261.6)**	(31.2)
Proceeds from disposals of assets	**1.9**	9.7	**2.7**	10.9
Net change in cash held in trust	**-**	(5.8)	**-**	(5.8)
Other	**0.2**	(2.0)	**(0.4)**	(1.6)
Cash flows used in continuing investing activities	**(278.3)**	(96.1)	**(506.2)**	(264.6)
Cash flows related to financing activities				
Net change in bank indebtedness	**(36.8)**	0.7	**(0.1)**	0.4
Net change under revolving facilities	**(78.9)**	15.7	**(1.0)**	10.0
Issuance of long-term debt, net of financing fees	**654.5**	394.8	**654.5**	394.8
Repayments of long-term debt	**(721.3)**	(5.6)	**(727.7)**	(11.1)
Settlement of hedging contracts	**51.4**	16.3	**(64.6)**	(8.5)
Repurchase of Class B Shares	**(4.5)**	(15.4)	**(11.7)**	(21.6)
Dividends	**(6.2)**	(6.2)	**(6.2)**	(6.2)
Dividends paid to non-controlling shareholders	**(6.2)**	(6.3)	**(12.5)**	(12.5)
Cash flows (used in) provided by continuing financing activities	**(148.0)**	394.0	**(169.3)**	345.3
Net change in cash and cash equivalents from continuing operations	**(212.3)**	439.9	**(284.3)**	352.1
Cash flows provided by (used in) discontinued operations	**1.0**	(2.1)	**0.6**	(8.2)
Effect of exchange rate changes on cash and cash equivalents denominated in foreign currencies	**(0.5)**	0.4	**0.8**	0.4
Cash and cash equivalents at beginning of period	**405.5**	134.8	**476.6**	228.7
Cash and cash equivalents at end of period	**$ 193.7**	$ 573.0	**$ 193.7**	$ 573.0
Cash and cash equivalents consist of				
Cash	**$ 106.4**	$ 70.7	**$ 106.4**	$ 70.7
Cash equivalents	**87.3**	502.3	**87.3**	502.3
	$ 193.7	$ 573.0	**$ 193.7**	$ 573.0
Interest and taxes reflected as operating activities				
Cash interest payments	**$ 144.1**	$ 161.0	**$ 173.7**	$ 185.6
Cash income tax payments (net of refunds)	**10.9**	9.0	**78.4**	45.3

QUEBECOR INC. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars)
(unaudited)

	June 30 2014	December 31 2013 (restated)	December 31 2012 (restated)
Assets			
Current assets			
Cash and cash equivalents	**$ 193.7**	$ 476.6	$ 228.7
Accounts receivable	**524.9**	566.3	578.7
Income taxes	**12.6**	18.0	10.6
Inventories	**221.2**	239.4	255.5
Prepaid expenses	**56.1**	48.2	38.0
Assets held for sale	**-**	76.9	-
	1,008.5	1,425.4	1,111.5
Non-current assets			
Property, plant and equipment	**3,431.2**	3,432.4	3,405.8
Intangible assets	**1,013.1**	824.8	956.7
Goodwill	**2,871.4**	3,061.5	3,371.6
Derivative financial instruments	**119.0**	142.1	35.7
Deferred income taxes	**18.1**	28.1	23.9
Other assets	**105.6**	102.1	102.6
	7,558.4	7,591.0	7,896.3
Total assets	**$ 8,566.9**	$ 9,016.4	$ 9,007.8
Liabilities and equity			
Current liabilities			
Bank indebtedness	**$ 0.4**	$ 0.5	$ 1.3
Accounts payable and accrued charges	**554.5**	706.1	793.8
Provisions	**26.9**	39.4	45.9
Deferred revenue	**300.3**	288.8	289.0
Income taxes	**36.1**	89.2	33.9
Derivative financial instruments	**-**	116.2	28.5
Current portion of long-term debt	**101.1**	101.2	22.2
Liabilities held for sale	**-**	9.0	-
	1,019.3	1,350.4	1,214.6
Non-current liabilities			
Long-term debt	**4,929.8**	4,975.3	4,507.8
Derivative financial instruments	**120.0**	77.3	270.1
Convertible debentures	**500.0**	500.0	500.0
Other liabilities	**275.5**	319.4	350.0
Deferred income taxes	**603.2**	598.6	624.3
	6,428.5	6,470.6	6,252.2
Equity			
Capital stock	**327.2**	328.9	335.1
Contributed surplus	**2.3**	2.3	2.3
Retained earnings	**259.4**	291.4	622.6
Accumulated other comprehensive loss	**(36.9)**	(23.1)	(50.3)
Equity attributable to shareholders	**552.0**	599.5	909.7
Non-controlling interests	**567.1**	595.9	631.3
	1,119.1	1,195.4	1,541.0
Total liabilities and equity	**$ 8,566.9**	$ 9,016.4	$ 9,007.8