November 9, 2011

For immediate release

QUEBECOR INC. REPORTS CONSOLIDATED RESULTS FOR THIRD QUARTER 2011

Montréal, Québec - Quebecor Inc. ("Quebecor" or the "Corporation") today reported its consolidated financial results for the third quarter of 2011. Quebecor consolidates the financial results of its Quebecor Media Inc. ("Quebecor Media") subsidiary, in which it holds a 54.7% interest.

Quebecor adopted International Financial Reporting Standards ("IFRS") on January 1, 2011. The Corporation's condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2011 have therefore been prepared in accordance with IFRS and comparative figures for 2010 have been restated.

Third quarter 2011 highlights

- Revenues: $1.01 billion, up $44.9 million (4.6%) from the third quarter of 2010.
- Operating income[1] down $12.3 million (-3.7%) to $319.7 million.
- Net income attributable to shareholders: $26.1 million ($0.41 per basic share), down $56.9 million ($0.88 per basic share) from $83.0 million ($1.29 per basic share) in the third quarter of 2010.
- Adjusted income from continuing operations:[2] $40.0 million in the third quarter of 2011 ($0.63 per basic share), down $16.1 million ($0.24 per basic share) from $56.1 million ($0.87 per basic share) in the third quarter of 2010.
- Videotron Ltd. ("Videotron") has recorded the largest quarterly customer growth since its acquisition by Quebecor Media in 2000; adding 168,700 revenue-generating units,[3] up 79.9% from the growth recorded in the same quarter of 2010:
  - net increase of 43,500 cable television customers, including a 77,700-subscriber increase for the digital service, the strongest quarterly growth for cable television since March 1999 and the strongest growth for the digital service since its launch, raising its penetration rate, as a proportion of all cable television customers, to 73.1%;
  - net increase of 39,900 customers for the cable Internet access service, the largest increase in the last three years;
  - net increase of 37,800 customers for the cable telephone service, the largest increase in the last two years;
  - net increase of 47,500 subscriber connections to the mobile telephone service, the largest quarterly increase since the service was launched.

"Quebecor grew its revenues in the third quarter of 2011, mainly on the strength of the excellent performance of its Telecommunications segment," said Pierre Karl Péladeau, President and Chief Executive Officer of Quebecor. "Thanks in particular to effective strategies to market bundled services, including mobile telephone service, at a time when over-the-air analog television broadcasting was ending, Videotron posted the strongest quarterly growth in its total customer base since its acquisition by Quebecor Media in October 2000. The increase in revenue-generating units was 79.9% greater than the growth recorded in the same period of 2010. In terms of financial performance, the Telecommunications segment's operating income increased by $10.9 million (4.1%) in the third quarter of 2011 despite additional operating costs generated by the new mobile telephone service. There were a total of 253,900 subscriber connections to Videotron's 4G network as of September 30, 2011, including 181,200 new connections and 72,700 migrations from the mobile virtual network operator ("MVNO") service. It was an exceptional quarter for all of our Telecommunications segment's services from every point of view.

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1 See "Operating income" under "Definitions."
2 See "Adjusted income from continuing operations" under "Definitions."
3 Revenue-generating units are the sum of cable television, Internet access and cable telephone service subscriptions, plus subscriber connections to the mobile telephone service.

“Despite the adverse economic environment, which hit print media advertising revenues particularly hard, the Corporation continues investing in its News Media segment in order to protect and, in the case of some products, increase its market share. According to the NADbank 2010/11 survey, *Le Journal de Montréal* has a weekly readership of 1,194,400, which is 371,600 more than its closest competitor. Readership was up 16% in the 18-24 age bracket. The NADbank 2010/11 survey also found that the free daily *24 heures* had added 45,000 readers, an 8.1% increase from the previous survey. As well, Quebecor Media Network Inc. (“Quebecor Media Network”) launched Le Sac Plus during the third quarter. In addition to distributing all of Quebecor Media’s community newspapers, the Le Sac Plus door-knob bag contains advertising materials such as flyers, leaflets, product samples and other value-added promotions every week. The Quebecor Media Network has also signed an agreement with the Jean Coutu Group (PJC) Inc. pharmacy chain to distribute its flyers in Le Sac Plus. The flyers are already being printed by Quebecor Media Printing Inc. under a previously announced contract, illustrating the complementary nature of the News Media segment’s multiproduct offerings.

“As part of its diversification strategy, aimed at reducing the concentration of its business in a single conventional television network, TVA Group Inc. (“TVA Group”) continued expanding its line of products with the successful launch of its TVA Sports channel, which has signed a series of partnerships with major sporting events in order to deliver rich programming. TVA Group’s results were also affected by launch costs for the new channels and the adverse impact of the economic environment.

“In the same spirit, Quebecor will implement its business plan for management of the multipurpose arena, which is to be operational by September 2015, following the signing of final agreements with Québec City in early September, 2011. Quebecor reiterates its goal of acquiring a National Hockey League franchise for the facility, as well as presenting major events and shows in the venue.

“Finally, when it comes to our financial results, it is important to note that the $56.9 million decrease in net income attributable to shareholders in the third quarter of 2011 was caused mainly by remeasurement of financial instruments, which had an unfavourable non-cash impact in the amount of $48.4 million, net of taxes and non-controlling interest. The balance of the decrease was due to operating items, including investments in new products and services. Higher subscriber acquisition costs for the new 4G network and an increase in the amortization charge for 4G network equipment and licences reduced net income by a total of $14.9 million, net of income taxes and non-controlling interest.

“In short, it was an excellent quarter for Quebecor in terms of customer growth, product development and business opportunities, strengthening the foundations for the Corporation’s future growth.”

Table 1
Quebecor third quarter financial highlights, 2007 to 2011
(in millions of Canadian dollars, except per share data)

	2011[1]	2010[1]	2009[2]	2008[2]	2007[2]
Revenues	**$ 1,014.8**	$ 969.9	$ 924.5	$ 915.0	$ 840.4
Operating income[3]	**319.7**	332.0	301.1	277.4	256.9
Net income from continuing operations attributable to shareholders	**26.1**	83.0	67.8	45.7	80.5
Net income attributable to shareholders	**26.1**	83.0	69.4	45.7	(35.0)
Adjusted income from continuing operations[4]	**40.0**	56.1	52.9	42.5	42.3
Per basic share:					
Net income from continuing operations attributable to shareholders	**0.41**	1.29	1.06	0.71	1.25
Net income attributable to shareholders	**0.41**	1.29	1.08	0.71	(0.54)
Adjusted income from continuing operations[4]	**0.63**	0.87	0.82	0.66	0.66

1 Financial figures for the third quarters of 2010 and 2011 are presented in accordance with IFRS.

2 Financial figures for the third quarters of 2007 to 2009 are presented in accordance with Canadian Generally Accepted Accounting Principles ("GAAP").

3 *See* "Operating income" under "Definitions."

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

2011/2010 third quarter comparison

Revenues: $1.01 billion, an increase of $44.9 million (4.6%).

- Revenues increased in Telecommunications ($55.4 million or 10.0% of segment revenues) and in Interactive Technologies and Communications ($7.5 million or 33.5%).
- Revenues decreased in Broadcasting ($5.0 million or -5.3%), Leisure and Entertainment ($3.8 million or -4.9%) and News Media ($3.3 million or -1.4%).

Operating income: $319.7 million, a decrease of $12.3 million (-3.7%).

- Operating income increased in Telecommunications ($10.9 million or 4.1% of segment operating income) and Interactive Technologies and Communications ($2.0 million or 166.7%).
- Operating income decreased in Broadcasting ($10.1 million or -77.1%), News Media ($8.9 million or -23.4%) and Leisure and Entertainment ($0.8 million or -6.5%).
- The change in the fair value of Quebecor Media stock options resulted in a $1.1 million favourable variance in the stock-based compensation charge in the third quarter of 2011 compared with the same period of 2010. The change in the fair value of Quebecor stock options resulted in a $4.1 million unfavourable variance in the Corporation's stock-based compensation charge in the third quarter of 2011.
- Excluding the impact of the consolidated stock-based compensation charge, and if the figures for prior periods were restated to retroactively reflect the reversal in the fourth quarter of 2009 of the accumulated Part II licence fee provision of Canadian Radio-television and Telecommunications Commission ("CRTC"), operating income would have decreased 2.8% in the third quarter of 2011, compared with a 7.8% increase in the same period of 2010.

Net income attributable to shareholders: $26.1 million ($0.41 per basic share) compared with $83.0 million ($1.29 per basic share) in the third quarter of 2010, a decrease of $56.9 million ($0.88 per basic share).

- The decrease was mainly due to:
  - $34.4 million loss on valuation and translation of financial instruments in the third quarter of 2011 compared with a $79.0 million gain in the same quarter of 2010, an unfavourable variance of $113.4 million;
  - $33.0 million increase in the amortization charge;

- $12.3 million decrease in operating income;
- $4.7 million increase in financial expenses.

Partially offset by:

- $9.7 million favourable variance in the charge for restructuring of operations, impairment of assets and other special items.

Adjusted income from continuing operations: $40.0 million in the third quarter of 2011 ($0.63 per basic share) compared with $56.1 million ($0.87 per basic share) in the same quarter of 2010, a decrease of $16.1 million ($0.24 per basic share).

2011/2010 year-to-date comparison

Revenues: $3.06 billion, an increase of $146.7 million (5.0%).

- Revenues increased in Telecommunications ($158.3 million or 9.7% of segment revenues), Interactive Technologies and Communications ($14.8 million or 21.1%) and Leisure and Entertainment ($1.8 million or 0.9%).
- Revenues decreased in News Media ($5.2 million or -0.7%) and Broadcasting ($0.9 million or -0.3%).

Operating income: $972.5 million, a decrease of $1.8 million (-0.2%).

- Operating income decreased in News Media ($30.5 million or -22.8% of segment operating income) and Broadcasting ($15.8 million or -34.6%).
- Operating income increased in Telecommunications ($20.0 million or 2.6%), Leisure and Entertainment ($2.7 million or 16.6%) and Interactive Technologies and Communications ($1.9 million or 54.3%).
- The change in the fair value of Quebecor Media stock options resulted in a $12.7 million favourable variance in the stock-based compensation charge in the first nine months of 2011 compared with the same period of 2010. The fair value of the options decreased during the first nine months of 2011, whereas it increased during the same period of 2010. The change in the fair value of Quebecor stock options resulted in a $22.8 million favourable variance in the Corporation's stock-based compensation charge in the first nine months of 2011.
- Excluding the impact of the consolidated stock-based compensation charge, and if the figures for prior periods were restated to retroactively reflect the reversal in the fourth quarter of 2009 of the accumulated CRTC Part II licence fee provision, operating income would have decreased 3.7% in the first nine months of 2011, compared with a 10.0% increase in the same period of 2010.

Net income attributable to shareholders: $115.6 million ($1.80 per basic share) compared with $178.7 million ($2.78 per basic share) in the first nine months of 2010, a decrease of $63.1 million ($0.98 per basic share).

- The decrease was mainly due to:
  - $97.6 million unfavourable variance in losses and gains on valuation and translation of financial instruments;
  - $94.8 million increase in the amortization charge;
  - $5.3 million increase in the charge for restructuring of operations, impairment of assets and other special items.

  Partially offset by:

  - $5.7 million decease in the loss on debt refinancing.

Adjusted income from continuing operations: $135.9 million in the first nine months of 2011 ($2.12 per basic share) compared with $162.4 million ($2.52 per basic share) in the same period of 2010, a decrease of $26.5 million ($0.40 per basic share).

Financing activities

On July 5, 2011, Videotron issued 6 7/8% Senior Notes maturing on July 15, 2021 in the aggregate principal amount of $300.0 million, for a net proceeds of $294.9 million, net of financing fees of $5.1 million. The net proceeds were used to finance the early repayment and withdrawal of US$255.0 million principal amount of Videotron's 6 7/8% Senior Notes maturing in 2014 and the settlement and cancellation of related hedges for a total cash consideration of $303.1 million. On July 20, 2011, Videotron amended its $575.0 million revolving credit facility to extend the expiry date from April 2012 to July 2016 and to modify some of the terms and conditions.

The conditions of the exchangeable debentures, Series 2001 and Series Abitibi, were amended in February and June 2011 respectively to reduce the interest rate from 1.50% to 0.10% on the notional principal amount of the debentures. The other conditions have not changed and remain applicable. In September 2011, the Corporation redeemed exchangeable debentures, Series 2001, in the notional principal amount of $135.0 million for no consideration. At September 30, 2011, the combined notional principal amount of the two series of exchangeable debentures was $844.9 million.

Dividends

On November 8, 2011, the Board of Directors of Quebecor declared a quarterly dividend of $0.05 per share on Class A Multiple Voting Shares and Class B Subordinate Voting Shares, payable on December 20, 2011 to shareholders of record at the close of business on November 25, 2011. This dividend is designated to be an eligible dividend, pursuant to subsection 89(14) of the Canadian *Income Tax Act* and its provincial counterpart.

Normal course issuer bid

On August 10, 2011, the Corporation filed a normal course issuer bid for a maximum of 985,233 (“Class A shares”) representing approximately 5% of the issued and outstanding Class A shares, and for a maximum of 4,453,304 (“Class B shares”) representing approximately 10% of the public float of the Class B shares as of August 2, 2011. The purchases can be made from August 12, 2011 to August 10, 2012 at prevailing market prices on the open market through the facilities of the Toronto Stock Exchange. All shares purchased under the bid are or will be cancelled.

During the third quarter of 2011, the Corporation purchased and cancelled 738,500 Class B shares for a total cash consideration of $24.0 million. The excess of $18.4 million of the purchase price over the carrying value of Class B shares repurchased was recorded in reduction of retained earnings.

Detailed financial information

For a detailed analysis of Quebecor’s results for the third quarter of 2011, please refer to the Management Discussion and Analysis and condensed 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 third quarter 2011 results on November 9, 2011, at 11:00 a.m. EST. There will be a question period reserved for financial analysts. To access the conference call, please dial 1 877 293-8052, access code 58308#. A tape recording of the call will be available from November 9 to December 9, 2011 by dialling 1 877 293-8133, conference reference number 656419#, passcode 58308#. The conference call will also be broadcast live on Quebecor’s website at <http://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 which could cause Quebecor’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, 2010.

The forward-looking statements in this press release reflect Quebecor's expectations as of November 9, 2011 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 Inc. (TSX: QBR.A, QBR.B) is a holding company with a 54.7% interest in Quebecor Media Inc., one of Canada's largest media groups, with more than 16,000 employees. Quebecor Media Inc., through its subsidiary Videotron Ltd., is an integrated communications company engaged in cable television, interactive multimedia development, Internet access services, cable telephone services and mobile telephone services. Through Sun Media Corporation, Quebecor Media Inc. is the largest publisher of newspapers in Canada. It also operates Canoe Inc. and its network of English and French language Internet properties in Canada. In the broadcasting sector, Quebecor Media Inc. operates, through TVA Group Inc., the number one French language general interest television network in Québec, a number of specialty channels and the Sun News English language channel. Another subsidiary of Quebecor Media Inc., Nurun Inc., is a major interactive technologies and communications agency with offices in Canada, the United States, Europe and Asia. Quebecor Media Inc. is also active in magazine publishing (TVA Publishing Inc.), book publishing and distribution (Sogides Group Inc. and CEC Publishing Inc.), the production, distribution and retailing of cultural products (Archambault Group Inc. and TVA Films), DVD, Blu-ray disc and videogame rental and retailing (Le SuperClub Vidéotron Ltd), the printing and distribution of regional newspapers and flyers (Quebecor Media Printing Inc. and Quebecor Media Network Inc.), news content production and distribution (QMI Agency), multiplatform advertising solutions (QMI Sales) and the publishing of printed and online directories, through Quebecor MediaPages.

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Sources:

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DEFINITIONS

Operating income

In its analysis of operating results, the Corporation uses operating income, as reported in its condensed consolidated statement of income, to assess its financial performance. The Corporation's management and Board of Directors use this measure in evaluating the Corporation's consolidated results and the results of its operating segments. This measure is unaffected by the capital structure or investment activities of the Corporation and its segments. Operating income is also relevant because it is a significant component of the Corporation's annual incentive compensation programs. Operating income is defined as an additional IFRS measure.

Previously, under Canadian GAAP, operating income was a non-GAAP measure. The Corporation defined operating income as net income in accordance with Canadian GAAP 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, gain (loss) on debt refinancing, income tax, and net income attributable to non-controlling interests.

Operating income as used by the Corporation may not be the same as similarly titled measures reported by other companies.

Adjusted income from continuing operations

The Corporation defines adjusted income from continuing operations, as reconciled to net income attributable to shareholders under IFRS, as net income attributable to shareholders before gain (loss) on valuation and translation of financial instruments, charge for restructuring of operations, impairment of assets and other special items, and gain (loss) on debt refinancing, net of income tax and net income attributable to non-controlling interests. 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. Adjusted income from continuing operations eliminates the impact of unusual or one-time items. The Corporation's definition of adjusted income from continuing operations may not be identical to similarly titled measures reported by other companies.

Table 2 provides a reconciliation of adjusted income from continuing operations to the net income attributable to shareholders measure used in Quebecor's condensed consolidated financial statements.

Table 2
Reconciliation of the adjusted income from continuing operations measure used in this report to the net income attributable to shareholders measure used in the condensed consolidated financial statements
(in millions of Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2011	2010	**2011**	2010
Adjusted income from continuing operations	**$ 40.0**	$ 56.1	**$ 135.9**	$ 162.4
(Loss) gain on valuation and translation of financial instruments	**(34.4)**	79.0	**(27.9)**	69.7
Restructuring of operations, impairment of assets and other special items	**(2.9)**	(12.6)	**(19.0)**	(13.7)
Gain (loss) on debt refinancing	**2.7**	–	**(6.6)**	(12.3)
Income tax related to adjustments[1]	**7.6**	(17.6)	**13.7**	(11.6)
Net income attributable to non-controlling interests related to adjustments	**13.1**	(21.9)	**19.5**	(15.8)
Net income attributable to shareholders	**$ 26.1**	$ 83.0	**$ 115.6**	$ 178.7

[1] Includes the impact of fluctuations in tax rates applicable to adjusted items, either for statutory reasons or in connection with tax planning arrangements.

Average Monthly Revenue per User

ARPU is an industry metric that the Corporation uses to measure its monthly cable television, Internet access, cable telephone and mobile telephone 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, cable telephone and mobile telephone 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.