

# 2012 ACTIVITY REPORT

*Striding into the future*

**QUEBECOR**

A blue curved line graphic that starts under the letter 'O' and sweeps upwards and to the right, ending under the letter 'R'.



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## 2012 IN BRIEF



### JANUARY

- *Miam!* a Québec television program that celebrates the pleasure of family cooking, premieres on the Yoopa channel.

### FEBRUARY

- *Le Journal de Montréal* and *Le Journal de Québec* launch new Web sites with an interactive interface and fresh graphics.
- Quebecor Media Inc. teams up with Saguenay-area entrepreneurs to form BlooBuzz Studios L.P. (now BlooBuzz Studios Holding, L.P.), a new Québec video game developer that will concentrate on games for the casual gaming market.

### MARCH

- TVA Group Inc. signs agreement with Rogers Communications Inc. to make the SUN News and TVA Sports specialty services and content from TVA Network available on Rogers' video-on-demand, mobile and Web platforms.
- Quebecor Media and Québec City take an important step in the construction of a multipurpose arena with the finalization of the functional and technical program. The modern, functional 18,000-seat facility is scheduled to open in 2015.

- Videotron Ltd. launches illico TV new generation, a service with innovative functionalities that delivers a smoother, more intuitive navigation experience.

### APRIL

- French agrifood giant Danone chooses Nurun Inc. as its interactive marketing agency for China.
- Quebecor Media Network Inc. and Sears Canada Inc. sign exclusive agreement for the distribution of Sears' national flyer in the Le Sac Plus doorknob bag.
- Sun Media Corporation, in collaboration with Nurun, launches 9 new regional Web portals with 57 new dedicated sites for its community newspapers. The new, more participatory sites are designed to put the user at the centre of the community.
- Launch of the new ZIK music streaming service, offering the largest French-language music catalogue of any service available on this type of platform.



ZIK launch on April 4, 2012

## MAY

- Sun Media Corporation acquires *Pub Extra*, a monthly magazine distributed to nearly 190,000 households in Montréal's north shore suburbs, and the community weekly *L'Impact de Drummondville*, with a circulation of nearly 50,000.
- TVA Publications Inc. launches chef Louis-François Marcotte's new magazine, *Signé M.*
- Videotron launches Ultimate Speed Internet 200, a faster-than-ever Internet access service.

## JUNE

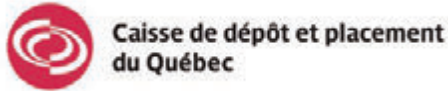
- QMI Agency reaches exclusive agreement with Leclerc Communication Inc. to supply all newscasts for Québec City radio station WKND 91.9.
- Sun Media Corporation launches *L'Écho de Victoriaville*, a new weekly distributed to more than 40,000 households in the Bois-Francs region.

## AUGUST

- Sun Media Corporation launches *ViaProprio.ca*, a new no-middleman real estate site that complements the services of the *micasa.ca* site.

## SEPTEMBER

- *24 Hours* newspapers across Canada introduce colourful new graphics, a new logo and lively new sections.
- Nurun develops a new paywall model for *Le Journal de Montréal* and *Le Journal de Québec*. Non-subscribers now have to pay to read the newspapers' columnists online.
- Sun Media Corporation announces the reorganization of its newsgathering operations and the implementation of a new structure that is more responsive to customer needs and to local and national business opportunities.



Caisse de dépôt et placement  
du Québec



## OCTOBER

- Quebecor and Quebecor Media repurchase approximately 30.5 million shares of Quebecor Media from the Caisse de dépôt et placement du Québec. The Caisse retains a 24.6% interest in Quebecor Media, a sign of its confidence in the Corporation's strong potential and ability to create shareholder value.
- Videotron's combo packages pass the million-customer mark, demonstrating positive consumer response to its offerings.
- VLB éditeur releases the first three novels in the *L'Orphéon* series, a joint project by authors Stéphane Dompierre, Roxanne Bouchard, Geneviève Jannelle, Patrick Senécal and Véronique Marcotte that proves to be one of the literary highlights of 2012.
- Léger Marketing releases a survey showing that one small or medium-sized business out of two now sources at least one of its telecommunications services from Videotron Business Solutions.

## NOVEMBER

- The VOX channel becomes MAtv and introduces a new look and a new, even more community-focused philosophy.
- *Le Journal de Québec* launches a Saguenay–Lac-Saint-Jean edition featuring local news and exclusive reports for the region.
- TVA Group adopts a new logo to reflect its character as a strong, modern brand.
- Quebecor Media Out of Home, a new division of Quebecor Media, lands 20-year contract for advertising on Société de transport de Montréal bus shelters.

## DECEMBER

- *SUN+* is launched and a paywall is introduced for the Toronto, Ottawa, Calgary, Winnipeg and Edmonton *SUN* newspaper Web sites.
- Major renovations completed at Archambault Group Inc.'s flagship store at the corner of Berri and Sainte-Catherine Streets create a more plugged-in environment.
- PATTISON Outdoor chooses QMI Agency as the prime content provider for its national digital advertising network.

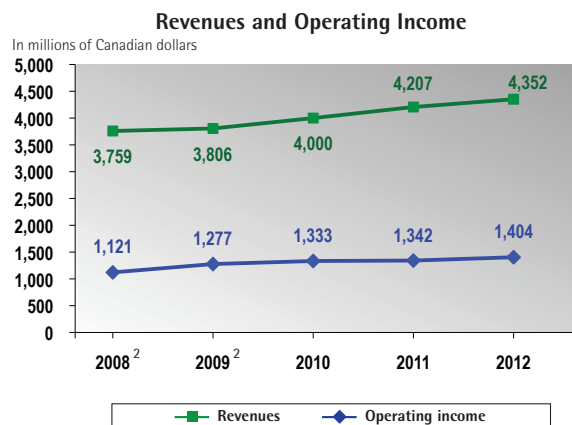
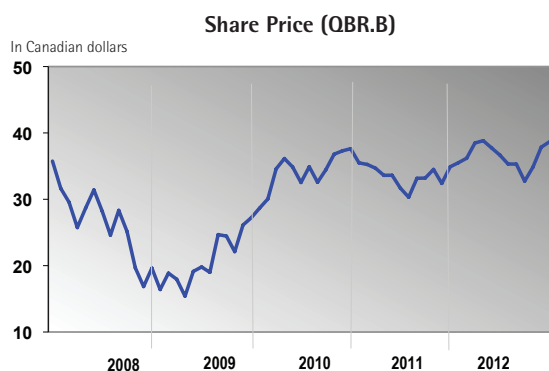
## HIGHLIGHTS

Financial years ended December 31, 2012, 2011 and 2010  
(in millions of Canadian dollars, except per share data)

|   | 2012              | 2011       | 2010       |
|---|-------------------|------------|------------|
| <b>OPERATIONS</b>   |                   |            |            |
| Revenues  | <b>\$ 4,351.8</b> | \$ 4,206.6 | \$ 4,000.1 |
| Operating income <sup>1</sup>                               | <b>1,403.6</b>    | 1,341.7    | 1,333.4    |
| Contribution to net income attributable to shareholders:    |                   |            |            |
| Continuing operations                                       | <b>196.1</b>      | 191.5      | 220.6      |
| Gain on valuation and translation of financial instruments  | <b>75.4</b>       | 20.6       | 20.8       |
| Unusual items   | <b>(103.8)</b>    | (11.1)     | (16.1)     |
| Net income attributable to shareholders                     | <b>167.7</b>      | 201.0      | 225.3      |
| Cash flows provided by continuing operations                | <b>1,122.6</b>    | 866.3      | 809.9      |
| <b>BASIC PER SHARE DATA</b>                                 |                   |            |            |
| Contribution to net income attributable to shareholders:    |                   |            |            |
| Continuing operations                                       | <b>\$ 3.10</b>    | \$ 2.99    | \$ 3.42    |
| Gain on valuation and translation of financial instruments  | <b>1.19</b>       | 0.32       | 0.32       |
| Unusual items   | <b>(1.64)</b>     | (0.17)     | (0.24)     |
| Net income attributable to shareholders                     | <b>2.65</b>       | 3.14       | 3.50       |
| Dividends   | <b>0.20</b>       | 0.20       | 0.20       |
| Shareholders' equity  | <b>20.76</b>      | 22.28      | 20.29      |
| Weighted average number of shares outstanding (in millions) | <b>63.2</b>       | 64.0       | 64.3       |
| <b>FINANCIAL POSITION</b>                                   |                   |            |            |
| Long-term debt  | <b>\$ 4,507.8</b> | \$ 3,688.3 | \$ 3,587.3 |
| Shareholders' equity  | <b>1,942.8</b>    | 2,870.6    | 2,651.7    |
| Total assets  | <b>9,007.8</b>    | 9,038.8    | 8,616.1    |
| <b>EMPLOYEES</b>  |                   |            |            |
|   | <b>16,865</b>     | 16,950     | 16,400     |

<sup>1</sup> Net income before amortization, financial expenses, gain on valuation and translation of financial instruments, restructuring of operations, impairment of assets and other special items, loss on debt refinancing, impairment of goodwill and intangible assets and income taxes.

<sup>2</sup> The financial figures for the years 2008 and 2009 have been prepared in accordance with Canadian Generally Accepted Accounting Principles.



## MESSAGE TO SHAREHOLDERS

At a time when large segments of the global economy are still struggling to emerge from a crisis that has had devastating consequences, Quebecor has come through the last financial year unscathed, thanks to the inventiveness of its people and their ability to see and seize opportunities. The Corporation continued generating attractive earnings for shareholders and playing a leading role in economic, social and cultural development in Québec and in all the communities where it does business across Canada.

Driven by the fruitful investments of recent years – notably in wireless telephony by its Videotron subsidiary –, Quebecor recorded sales of \$4.35 billion in 2012. The \$145.2 million (3.5%) increase compared with 2011 mainly reflects impressive 8.4% growth in the Telecommunications segment. The Corporation's operations generated \$1.4 billion in combined operating income, up 4.6% from 2011. Adjusted income from continuing operations was \$196.1 million, compared with \$191.5 million in 2011.

After our constant efforts in recent years to position our balance sheet to provide us with wide financial flexibility, in 2012 we completed a major step in our long-term plan aimed at nothing less than making Quebecor Media a wholly owned subsidiary of Quebecor.

In October 2012, the repurchase of part of the 45.3% interest in Quebecor Media held by the Caisse de dépôt et placement du Québec was closed. By means of this mutually beneficial transaction, Quebecor and Quebecor Media purchased or repurchased some 30.5 million common shares of Quebecor Media held by CDP Capital d'Amérique Investissements inc., a subsidiary of the Caisse. Quebecor thereby boosted its interest in Quebecor Media from 54.7% to 75.4%, signaling its confidence in the subsidiary's future. In the wake of the transaction, which was carried out at a time when the Caisse could rebalance its portfolio on favourable terms, the Caisse retained a 24.6% interest in Quebecor Media, attesting to its confidence in the company's ability to create value.

## 2012 HIGHLIGHTS

"The worldwide tectonic shift precipitated by the advent of the digital age continues to shake up our ways of doing things and our business strategies. Consumers are increasingly well informed and demanding about technological, informational and entertainment products. Already well positioned to meet the high expectations of its various audiences, Quebecor took a number of initiatives during the year to ensure it will be able to continue doing so in the future. It developed its business models and diversified its operations, demonstrating the ability to innovate that has always been its trademark.

In the Telecommunications segment, we should note an event that served consumers well: illico TV new generation was rolled out across Videotron's service area. This step forward demonstrates Videotron's leadership and the spirit of innovation that has long been its driving force, carrying it to the forefront of Canada's telecommunications industry.

In the Broadcasting segment, two strategic initiatives are also worthy of mention: a major agreement with Rogers Communications to offer its customers the SUN News and TVA Sports channels and access to content from TVA Network on its video-on-demand, mobile and Web platforms, and new agreements between LCN and numerous broadcasting distribution undertakings, which have resulted in wider carriage of the all-news channel and higher fees. We should also point out that TVA Group's total market share increased to 32.2%. The growth was mainly due to the specialty services, whose market share rose from 7.4% in 2011 to 8.5% in 2012.

In response to major upheavals that are strongly impacting traditional media, including print media, Sun Media Corporation continued rethinking its ways of doing things. It streamlined its organizational structure in order to improve execution of business processes and achieve greater cost effectiveness. In view of the vital importance of newspapers and print media in a democratic society, management adapted working methods to ensure that Quebecor Media, the Canadian news organization with the largest number of journalists, will be able to pursue its mission of informing as many citizens as possible.

Meanwhile, Quebecor Media gained a foothold in an industry being transformed by technological change when it landed a contract to install, maintain and advertise on Montréal bus shelters. Quebecor Media was awarded the 20-year contract with the Société de transport de Montréal (STM) after a call for tenders by invitation. It intends to apply its expertise in communications to optimize management of the shelters for the benefit of both the STM and commuters.

On another front, Archambault Group responded creatively and nimbly to the major challenges that have overtaken the music industry as a result of the digitization of content, and which have become abundantly clear over the past decade. Having grasped consumer expectations, Archambault Group designed and launched ZIK, a new music streaming service.

## SUCCESSION PLANNING

Finally, we would like to say a few words about one of the most important decisions of the recent past at Quebecor, the appointment of Robert Dépatie to the position of President and CEO of Quebecor and Quebecor Media. Mr. Dépatie will take over from the current President and CEO of the two corporations, Pierre Karl Péladeau, who will continue to be involved in the organization as Chairman of the Board of Quebecor Media and TVA Group and Vice Chairman of the Board of Quebecor. In this new role, he will be able to concentrate on charting and overseeing corporate strategy.

Since his appointment as President and Chief Executive Officer of Videotron in 2003, Robert Dépatie has built it into the top-performing telecommunications corporation in Canada and the most respected telecom provider in Québec. Under his leadership, Videotron's operating income has grown from \$275.0 million to more than \$1.2 billion.

The Board felt that Robert Dépatie's track record at Videotron, his managerial skills and personal qualities made him the logical choice to take the helm at Quebecor and Quebecor Media and keep them moving forward, propelled by the spirit of enterprise and innovation that has been their leitmotif since the beginning. We are very confident and enthusiastic about Robert's appointment and we wish him every success in his new duties.

## ACKNOWLEDGEMENTS

We would be remiss if we neglected to pay tribute to all the people who have helped make Quebecor what it is today and who enable it to face the challenges of the future with confidence.

First of all, we thank all our shareholders for their trust and steadfast support. Without that support, we could not pursue our long-term vision, rooted in innovation and the creation of lasting value for all stakeholders.

We are also grateful to all our employees, whose tireless efforts are driving the Corporation forward in Québec and the rest of Canada. Their energy, talent and attachment to the organization constitute the oxygen that sustains Quebecor's life force.

Our directors also deserve a word of thanks. By virtue of their experience, varied points of view and wise counsel, they play a vital role in defining the Corporation's strategic directions and ensuring its good governance. We are in their debt.

Clearly, Quebecor would not be what it is today without the patronage and support of its customers and its many collaborators and partners. It is for them and with them that we take up the daily challenge of excellence in the hope that we will be able to best meet their expectations with respect to our lines of business. We do not take their trust lightly.

Today, businesses are committed to social responsibility and to broader involvement in the community. For years, Quebecor has been deeply invested in corporate citizenship. It is engaged with and supports a wide spectrum of cultural, educational, community and health organizations. The entire management team is acutely aware of the Corporation's special role in Québec society and Canadian society as a whole. Quebecor will always continue shouldering its responsibilities in this regard.



Françoise Bertrand  
Chair of the Board



Pierre Karl Péladeau  
President and Chief Executive Officer



Videotron maintained its status as a telecommunications and entertainment industry leader in 2012. It posted a tenth consecutive year of growth with an 8.4% year-over-year revenue increase, bringing total revenues to more than \$2.6 billion. All of Videotron's main services logged substantial revenue growth; mobile telephony again led the pack with a spectacular increase of 52.3%.

Videotron had a banner year in other respects as well. It launched illico TV new generation, a new user-friendly high-definition (HD) experience that has met with a strongly positive consumer response. Hundreds of thousands of people across Québec now have an unparalleled selection of content and entertainment offerings at their fingertips.

In a Canadian first, Videotron developed illico TV new generation in-house, drawing on its own internal resources to design a powerful platform tailored to the expectations of Quebecers. The colossal process of innovation was undertaken three years ago by a team of visionaries made up entirely of Quebecers. In all, more than 500 people – programmers, marketing experts, specialists in product development – worked on the project.

Supported by Videotron's unrivalled selection of content, illico TV new generation now provides ready access to a video-on-demand catalogue containing more than 30,000 titles and the largest choice of French-language HD channels and movies in the land. It also offers a number of exclusives as well as rich video content adapted to different screens (TV, mobile, tablet). Examples include Lib tv, Canada's first mobile channel.



## A KNACK FOR INNOVATION

The creation of illico TV new generation was made possible by Videotron's prescient technological choices of recent years. Videotron is the only telecommunications provider in North America to boast a powerful hybrid network combining fibre, coax cable and wireless technology, a unique architecture that delivers exceptional performance, reliability and upgradability. This robust, state-of-the-art network supports the most sophisticated, yet simple, television experience available on the market.

The commitment to innovation, combined with the roll-out of Videotron's products and services to new areas (North Shore, the Beauce) helped propel Videotron to new heights in 2012, pushing its combo packages past the million-customer mark.

The quest for excellence yielded a number of new products during the year: an illico.tv app for the iPad, faster Internet access speeds and plans, a wide selection of new mobile handsets and tablets, including the popular Samsung Galaxy S III and Samsung Galaxy Note II, a Mobile Wi-Fi device and the Mobile Usage app, which was welcomed by customers who want to track their Internet data usage in real time.

In another indication of the network's strength, half the small and medium-sized businesses in Québec now trust Videotron Business Solutions to supply their telecommunications needs, according to a Léger Marketing survey conducted in October 2012. Employees of the 100,000 businesses served by Videotron are now enjoying the lightning speeds of Ultimate Speed Internet 120 and 200 in their daily activities.

It therefore came as no surprise that a Léger Marketing survey published in *Les Affaires* magazine rated Videotron the most respected telecommunications company in Québec for the seventh year in a row.



CLIENTS VIDÉOTRON, C'EST VOTRE TÉLÉ.

### MATV: PART OF THE COMMUNITY

In another landmark event, Videotron launched MATv in late 2012. MATv, which replaces VOX in Videotron's eight local service areas across Québec, makes an enticing promise to viewers: to simplify their lives, anticipate their needs and interests, provide food for thought and open up new horizons.

MATv's programming reflects its roots in public access community television. It serves up rich content and promotes interaction with viewers across Québec. In all, MATv airs more than 5,000 hours of local programming per year, including shows such as the new *Code régional*, which covers economic and social issues in Québec's regions, and *Caucus*, which covers parliamentary affairs. MATv seizes every opportunity to foster dialogue with citizens via social media. For example, its new program, *OPEN télé*, hosted by Sophie Durocher, lets viewers contribute to and shape the on-air discussion via Twitter. The magazine show *Libre-service*, another interactive

program, quickly made its mark; every day, host Marc-André Coallier and other contributors share practical tips about daily life, covering the gamut from health to travel, fashion to technology, work to family and the home.

The repositioning yielded fast results: within weeks, MATv had doubled its market share, according to the BBM ratings.

With differentiated content such as its exclusive MATv channel, Videotron delivers the best possible customer experience in terms of content. In 2012, programming highlights included compelling hit shows such as *Occupation Double* and *Star Académie*, and the addition of a number of HD services to Videotron's channel line-up. Among other things, Videotron customers were the first to be able to watch FX Canada and enjoy the best past and present American series.



Le SuperClub Vidéotron stood out in the video rental market throughout 2012 by posting significantly stronger results than the competition, despite the advent of new technological innovations and the arrival of new players in the industry.

Even the major international studios took notice of Le SuperClub Vidéotron's performance in North America in this fast-changing market. The company and its franchisees succeeded in maintaining their revenues in 2012, thanks in part to sales of Videotron telecommunications products. Innovative and effective promotional strategies also contributed to the success of Le SuperClub Vidéotron. For example, subscriptions to the flat-rate monthly plan with unlimited rentals of regular movies, introduced in late 2010, were up nearly 55%, bringing the total to nearly 34,000.

The 77 Microplay™ shops grew their revenues by 2% in 2012. To capitalize on the boom in video gaming, they organized a series of successful events. In the fall of 2012, an autograph signing session with Montréal Canadiens player P.K. Subban on the occasion of the launch of *NHL 13* brought crowds of fans to the Microplay™ location on Mont-Royal Ave. in Montréal. Nearly 300 people lined up and many stayed until midnight to buy the game on its release. A few weeks later, when the eagerly awaited game *Assassin's Creed III* came out, members of Ubisoft's Montréal team visited three Microplay™ stores, delighting avid gamers and autograph seekers.

More than \$5.3 million was spent during the year, together with franchisees, to implement Le SuperClub Vidéotron's new concept in 24 stores, in addition to the renovations at approximately 30 locations in 2011.



### NEW VISTAS

Sun Media Corporation reorganized its operations to adapt to changes in the industry and secure sustainable growth going forward. The rationalization and optimization initiatives are expected to yield annual savings in excess of \$45 million.

The *24 Hours* national chain of free newspapers in Montréal, Vancouver, Edmonton, Calgary, Toronto and Ottawa was also overhauled in 2012. Colourful new graphics, a new logo and lively new sections provide readers of the six newspapers with a better reading experience and advertisers with improved placement opportunities.

Among the daily newspapers, *Le Journal de Québec* broke new ground by adding a Sunday cultural section about the city’s bustling arts scene. A new books section in the Sunday editions of *Le Journal de Montréal* and *Le Journal de Québec*, introduced in 2011, showcases authors from Québec and around the world. It has been expanded substantially and now includes not only book reviews but also regular columns, in-depth interviews and new sections dedicated to graphic novels, children’s literature and cultural literature (art, music, cinema).

Sun Media Corporation also announced a major agreement to distribute Sears Canada’s flyers in the Le Sac Plus doorknob bag across the country. As well, the new Quebecor Media Out of Home division was created to operate advertising on Société de transport de Montréal bus shelters. For Quebecor, the move represents an important foray into electronic display, and it plans to transform the user experience and increase the advertising potential of the bus shelters by equipping them with digital displays and wireless technology.



## LOCAL FOCUS

Quebecor Media has concentrated on developing a network of thriving community newspapers, the only print media category that has not lost readership in recent years, according to a recent StatHebdo study.

During the last three years, Sun Media Corporation has launched 12 new community weeklies in Québec and acquired Les Hebdomontérégiens. In the spring of 2012 the subsidiary also announced the acquisition of *Pub Extra* magazine, an advertising vehicle carrying discounts, promotional offers and contests that is distributed to nearly 190,000 homes in Montréal's North Shore suburbs every month. A few days later, the community weekly *L'Impact de Drummondville*, which has a circulation of nearly 50,000 copies in the Drummondville area, was added to the fold. The subsequent launch of *L'Écho de Victoriaville*, a weekly with a circulation of more than 40,000 copies in the Bois-Francs area, expanded Quebecor Media's Québec community newspapers network to 76 publications, with a combined weekly circulation of more than 2.5 million.

To offer the most relevant local coverage, Sun Media Corporation launched a Saguenay–Lac-Saint-Jean edition of *Le Journal de Québec* in late fall. The new daily, which carries a minimum of seven pages of exclusive local content, quickly gained a strong readership in the region. Its featured columnists include: Jacques Brassard, a former Québec government minister and general manager of the Saguenéens de Chicoutimi hockey team; former hockey player Marc Fortier; and radio personality Denis Gravel.

A new management model introduced in 2012 enables local publishers to focus more closely on relations with the community, readers and advertisers. As pillars of the community, these publishers are also playing a more active role in developing business opportunities and sales.



## PROMINENT WEB PRESENCE

In 2012, the Canoe network, which includes Quebecor Media and Sun Media Corporation Web sites, logged a record 10.5 million unique visitors per month in Canada, making it the ninth-most popular Web property in Canada and second in Québec, just behind the behemoth Google. In all, the Canoe network reached 41% of Canadian Internet users and more than 95% of Québec Internet users.

The *journaldemontreal.com* and *journaldequebec.com* sites recorded impressive traffic growth in 2012, drawing more than 762,000 and 369,000 unique visitors respectively, according to comScore.

In view of the strategic importance of Web platforms, Sun Media Corporation made numerous improvements during the year and created new advertising opportunities to offer its partners and advertisers more diverse and targeted services. The Web sites of its major dailies across Canada – the Toronto, Ottawa, Calgary, Winnipeg and Edmonton *Sun* newspapers, *Le Journal de Montréal* and *Le Journal de Québec* – were entirely redesigned. They now feature a new interactive interface and provide visitors with richer content, more additional information and exclusive theme sections.

Quebecor Media's community newspapers also expanded their Web presence. Nine new regional portals and 57 new Web sites were added during the year. With a more dynamic, more convenient and more interactive interface, they quickly became hubs of discussion and debate.



Another major development in 2012 represents an important turning point: the termination of free online access to the full content of many of the daily newspapers. After the introduction of paywalls at *Le Journal de Montréal* and *Le Journal de Québec* in early fall, Sun Media Corporation launched *SUN+*, an equivalent model for the Toronto, Calgary, Ottawa, Edmonton and Winnipeg Sun Web sites and mobile apps. A monthly subscription allows unlimited access to rich and varied content that is now reserved for members.

Finally, in late summer, the *ViaProprio.ca* site entered the direct-sale real estate market. Sun Media Corporation was already offering a wide range of real estate services. The new site complements the services offered by *micasa.ca*, which was completely overhauled at the end of the year and now concentrates on the market for real estate professionals, developers, builders, real estate brokers and building managers.





QMI Agency's business model, which has abundantly demonstrated its success since its inception, was further strengthened in 2012. The news agency's already diverse offerings were enhanced with the addition of a radio service, social network moderating and a headline news service. It continued its expansion by opening a bureau in Québec City, the epicentre of Québec politics. A new photo desk was set up in Toronto and the Montréal photo desk saw improvements, including the introduction of a system that supports direct photo uploading to the Agency's Web site. QMI Agency now draws on the work of more than 1,000 journalists across the country, including more than 300 in Québec alone.

### LANDMARK AGREEMENTS

In late 2012, PATTISON Outdoor recognized the calibre of QMI Agency's news coverage by choosing it as the prime supplier of news content for its national digital advertising network. Since then, more than 150 articles per day have been displayed on PATTISON Outdoor screens across the country. In the summer of 2012, Leclerc Communication, owner of WKND 91.9, a music-oriented radio station in Québec City, signed an agreement for QMI Agency to prepare all the newscasts broadcast by the station, giving WKND 91.9 access to a larger news service than any other private radio station in Québec. As well, QMI Agency's radio service has been supplying the *Journal de Montréal* Web site with some 20 reports per day.



## POWERFUL NETWORK

QMI Agency's high-profile activities included extensive polling and front-line coverage of the major events of 2012. The news highlights of the year in Québec included student demonstrations, provincial and federal budget announcements, provincial elections, and the London Olympics. QMI Agency was in the thick of the action. In all, its wire service carried a daily average of nearly 150 general news reports, 40 sports articles and 100 videos.

Finally, content integration was heavily emphasized in 2012. Videos produced by TVA Network, the community weeklies and QMI Agency were used on the Web sites of *Le Journal de Montréal* and *Le Journal de Québec*, and enriched the articles posted on *canoe.ca*. This approach made it possible to offer readers more comprehensive content, leverage synergies, and capitalize on news-sharing between the subsidiaries.



In response to fast-paced change in the media landscape driven by evolving consumer habits as audiences become more and more expert in the use of media platforms, TVA Group dedicated itself in 2012 to increasing its agility, constantly surprising viewers and offering them a rich audiovisual experience wherever they happen to be.

To reflect the brand's dynamism, TVA Group adopted a new logo in 2012: the three iconic letters now sport a more modern, forward-leaning look that expresses TVA Network's engagement with today's Québec.

The effort to remain at the vanguard has paid dividends. TVA Group's revenues grew 2.7% from \$445.5 million in 2011 to \$457.4 million in 2012. The television segment's revenues increased 4.0% to \$394.1 million and its total market share rose to 32.2% from 31.6% in 2011. The growth was spearheaded by the specialty services, which increased their market share by 1.1 points, or 14.9%, from 7.4% in 2011 to 8.5% in 2012.



### RATINGS DOMINANCE

Television content broadcast by TVA Group continued to dominate the ratings in 2012. TVA Network remained in the lead with a 23.7% market share, more than its two main over-the-air rivals combined. According to the BBM ratings, TVA Network carried 9 of the top 10 programs during the spring season, including the number 1 show, the *Star Académie* Sunday evening gala hosted by Julie Snyder. The figures also showed that TVA Network achieved high audience numbers throughout the daytime (6 a.m. to 6 p.m.) and prime time (6 p.m. to 11 p.m.) periods, and broadcast the top show in eight different genres:

|                 |                           |
|-----------------|---------------------------|
| News            | <i>TVA Nouvelles</i>      |
| Awards ceremony | <i>Gala Artis 2012</i>    |
| Comedy          | <i>lol :-)</i>            |
| Game show       | <i>Le Tricheur</i>        |
| Magazine show   | <i>Salut, Bonjour!</i>    |
| Soap opera      | <i>Yamaska</i>            |
| Drama           | <i>Toute la vérité</i>    |
| Variety         | <i>Star Académie 2012</i> |

During the fall season, still according to the BBM ratings, TVA Network aired 8 of the top 10 and 23 of the top 30 shows in Québec. The number 1 show across all networks was *Céline Dion... sans attendre*, which drew nearly 2.5 million viewers. The four *Le Banquier* specials also attracted audiences of more than 2 million, an exceptional result, and TVA Network's 24 most-watched shows all attracted more than 1 million viewers. In the news arena, all of TVA Network's newscasts dominated their time slot and TVA Network innovated by organizing one-on-one leaders' debates during the Québec election campaign, which were carried simultaneously by TVA Network and LCN. The first of the three debates was seen by 1.4 million people and the other two by 1.5 million viewers.



## SPECIALTY SERVICES CONTINUE GROWTH

Among the specialty services, TVA Sports ended the year with nearly 1.5 million subscribers. It kept sports fans on the edge of their seats all year long with gripping coverage of major events such as Red Bull Stratos, Interbox and GYM boxing bouts, Ultimate Fighting Championship featuring Georges St Pierre Ottawa Senators hockey, the Memorial Cup hockey tournament, Montreal Impact and Champions League soccer, the Granby Challenger tennis tournament, and Toronto Blue Jays baseball. TVA Sports also announced a number of major agreements during the year, including deals with Red Bull (Red Bull Signature Series), the Women's Tennis Association, the ATP World Tour™ (tennis), and the Montréal and Québec City Grand Prix Cycliste. TVA Sports was the only channel to broadcast professional hockey during the National Hockey League lock-out, courtesy of its agreement with the Hamilton Bulldogs. It also carried a number of Quebec Major Junior Hockey League games.





At year's end, TVA Group announced that the Mlle channel was being renamed Moi&cie and invested with a new mission: to offer programming that reflects the interests and concerns of Québec women. The other specialty services – addik<sup>TV</sup>, CASA, Yoopa, Prise 2, Argent and LCN – registered an overall increase in market share and subscription and advertising revenues. Three – LCN, Prise 2 and addik<sup>TV</sup> – had a market share of more than 1.0%. The addik<sup>TV</sup> drama channel passed the million-subscriber mark and Prise 2 reached the 1% market-share threshold. The Yoopa channel for pre-school children was a stand-out in 2012 with 77.8% growth in subscription revenues.

### WIDER REACH

2012 also saw a number of major agreements with broadcasting distribution undertakings across the country, including Rogers Communications and members of the Canadian Cable Systems Alliance. During the summer, TVA Group sold a 2% interest in SUN News to Sun Media Corporation, reducing its interest to 49%.

TVA Boutiques terminated the operations of its teleshopping cable channel, which was carried by Videotron and Cogeco in Québec. The Shopping TVA program on TVA Network and online shopping services will continue.

Finally, TVA Films continued its activities with a focus on the distribution of Québec productions. It released 76 new titles for the home entertainment (DVD) market, more than half of which were also made available on video on demand. Internationally, TVA Films distributes award-winning movies and series from its diverse catalogue of nearly 2,000 titles, including classics, drama, suspense, documentaries, and children's programs.



**VOUS LES CONNAISSEZ?**

Elles sont de retour les **mardis** et **jeudis** à **clindoeil.ca**.

**Comment SURVIVRE 4 AUX WEEK-ENDS?**

## TVA Publications

### BROADER, MORE DIVERSE AUDIENCES

TVA Publications remained the top magazine publisher in Québec in 2012 with 69% of newsstand sales of French-language magazines and 48% of total magazine sales, according to the Audit Bureau of Circulation (December 31, 2012). The celebrity magazine *7 Jours* alone had 705,000 readers per week. TVA Publications launched a new magazine for people who love good food and local produce: *Signé M*, a journey into the inventive culinary world of chef Louis-François Marcotte, was an instant success, selling out after barely two weeks on the stands.

TVA Publications' revenues decreased 4.6% to \$67.4 million in 2012 and its operating income declined by \$4.8 million. The decreases were mainly due to recognition of an Éco Entreprises Québec charge and to lower newsstand and advertising revenues.

With 24 brands and more than 75 titles published every year, TVA Publications, whose Web sites logged more than 40 million page views during the year, continued expanding its platforms in order to reach a broad and diverse audience. Social networks also continued



to play an important role in promoting its brands, supporting a rich and stimulating dialogue with more than 335,000 Facebook fans and 42,000 Twitter followers. In another indication of TVA Publications' success in the virtual universe, the *Comment survivre aux week-ends?* Web series registered more than 4.5 million views.

Last year also saw the advent of full, uncut digital versions of all issues of the leading brands' magazines, adapted for mobile devices (iOS, Android and other). And TVA Publications developed a number of projects during the year to leverage its brands' reputation and recognition factor, such as the *Clin d'œil* "Rock & Rose" tour, *7 Jours* VIP travel packages, "Lou Luv" school supplies from *Cool!*, *Clin d'œil* jewellery for breast cancer, the *Cool!* photo studio and the *Rénovation-Bricolage* store.

Finally, TVA Studio continued making strides in the custom publishing and premedia segment, an important growth market for TVA Group.



# ARCHAMBAULT

A Quebecor Media Corporation

## MUSIC DIVISION

### DISTRIBUTION SELECT: SPRINGBOARD FOR LOCAL TALENT

During the year, Distribution Select signed up 63 new international labels and producers. It maintained its status as Canada's top independent distributor, with 6 of the 10 top-selling albums in Québec in 2012 and 12 of the top 50. The list includes releases from Star Académie, Adele, Paul Daraïche, Lisa Leblanc and Marie-Mai. The impressive sales performance translated into 11 Gold and Platinum Album certifications in 2012, out of the total of 14 issued for French-language albums by the Canadian Recording Industry Association (CRIA).

### QUÉBEC RHYTHMS

In 2012, Musicor chalked up a series of new successes with three Gold and Platinum certifications (for an album by Marie-Mai, a joint effort by Marie Ève Janvier & Jean-François Breau, and a Mario Pelchat box set). Musicor Spectacles continued on its forward path in 2012. It mounted a dozen productions that played a total of 239 dates, including two major tours: *Le retour de nos idoles* and *Les Stars chantent Noël*, which also accounted for two of the three concert videos produced by Les Productions Select TV.

### FIRST YEAR FOR ZIK MUSIC STREAMING SERVICE

Archambault Group launched ZIK in spring 2012 in response to the growing popularity of music streaming. Only a few months after its launch, Canada's first streaming service already had more than 7,000 subscribers. A monthly subscription lets users create playlists and share their musical tastes and selections with other users. Available anywhere, anytime on the Web, mobile handset or tablet, ZIK provides access to millions of tracks, including the largest catalogue of French-language music of any streaming service.



## RETAIL DIVISION

### NEW DEVELOPMENTS AT ARCHAMBAULT GROUP

Archambault Group made far-reaching changes in 2012. Its new, more modern, more dynamic logo articulates its positioning as Québec's premier retail showcase for culture and entertainment. Its flagship store at the corner of Berri and Sainte-Catherine Streets in Montréal was also given a facelift to optimize the shopping experience. Some 30 digital signage displays were installed and demo e-books and tablets were set up to create a more plugged-in environment.

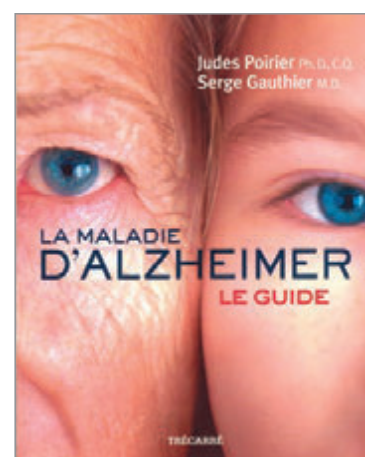
### YEAR OF THE BOOK

E-books registered strong growth, accounting for 17% of the sales of *archambault.ca* in 2012, a 113% increase compared with 2011. Archambault's e-reader app for iOS and Android was downloaded more than 60,000 times to become a major industry player. At the same time, the selection of e-books was expanded considerably to more than 103,000 titles, including nearly 50,000 in French.

### E-COMMERCE SHIFTS INTO HIGH GEAR

The popularity of the *archambault.ca* site was on the rise in 2012: traffic increased 33% to 13.2 million visits and sales were up 25%. Musical instruments were given more space and online sales of instruments increased.

Finally, the new Archambault mobile site launched in 2012 was an instant hit. It provided consumers with another way to access *archambault.ca*, making it possible to browse a huge catalogue of products, listen to previews and view new releases, promotions and the charts for different product categories, all from a smartphone.



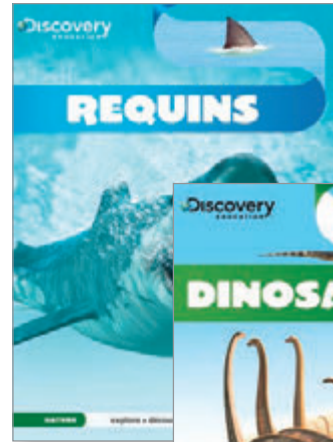
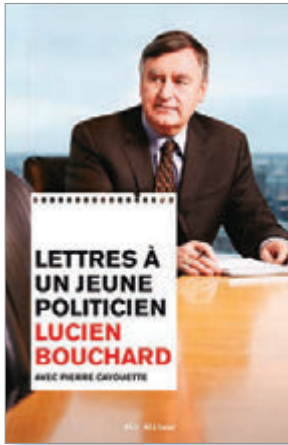
## BOOK GROUP

### FOSTERING PUBLIC DEBATE

2012 was an election year in Québec and also a year of lively debate among compelling public figures. The Book Group was part of the action, publishing a number of controversial works. The voice of women was heard in bestsellers such as *Des femmes au printemps* by Djemila Benhabib (VLB éditeur) and *Les femmes au secours de l'économie* by Monique Jérôme-Forget (Éditions internationales Alain Stanké). The polarized debate between left and right was fought out in the pages of *Comment mettre la droite K.-O. en 15 arguments* by Jean-François Lisée (Éditions internationales Alain Stanké), *L'État contre les jeunes* by Éric Duhaime (VLB éditeur), *Notre Indépendance : 28 Québécois s'expriment* (Éditions internationales Alain Stanké) and *Le mirage François Legault* by Gilles Toupin (VLB éditeur). Finally, a number of books by or about major political figures, such as *Dans le feu de l'action* by Jean Cournoyer (Les Éditions de l'Homme) and a biography of Robert Bourassa by Georges-Hébert Germain (Éditions Libre Expression), were released. The long list of incisive essays and biographies made a significant contribution to the public debate.

### GRUPE LIBREX: NEW IMPRINTS, NEW AUTHORS

Groupe Librex has been known for years for the quality and variety of the fiction it publishes, and 2012 was no exception. *Lit double* by the peerless Janette Bertrand, and *La vie épicée de Charlotte Lavigne* by Nathalie Roy, were among the year's bumper crop of 25 novels from the Éditions Libre Expression publishing house. Meanwhile, Expression Noire, an imprint of Éditions Libre Expression dedicated to detective fiction, made its appearance. Its stable of writers includes Johanne Seymour, founder of the "Les Printemps meurtriers de Knowlton" international crime fiction festival.



Éditions du Trécaré expanded its collection of books about health with two new titles penned by experts: *Le sommeil et vous* by Diane B. Boivin, and *La douleur* by Marie-Josée Rivard and Denis Gingras. Another health-related book published by Éditions du Trécaré, *La maladie d'Alzheimer : le guide* by Judes Poirier and Serge Gauthier, released in 2011, was awarded the Prix Hubert-Reeves 2012 by the Association des communicateurs scientifiques du Québec. The award recognizes excellence in scientific popularization.

### EVENTFUL YEAR AT LE GROUPE VILLE-MARIE LITTÉRATURE

VLB éditeur had another successful year with several bestsellers and extensive media coverage for the launch of a new collection, *Lettres à un jeune*. The first two books in the series were written by Lucien Bouchard and Jérôme Ferrer. Another highlight was the launch of the *L'Orphéon* series, to which five talented authors contributed: Stéphane Dompierre, Roxanne Bouchard, Geneviève Janelle, Patrick Senécal, and Véronique Marcotte.

At Les Éditions de l'Hexagone, notable events included the return of poet Hélène Dorion with a marvellous collection entitled *Cœurs, comme livres d'amour*, and the book/CD *Thomas Hellman chante Roland Giguère*, a tribute by singer-songwriter Thomas Hellman to Roland Giguère, the great Québec poet who died in 2003.

Les Éditions de la Bagnole, which joined Le Groupe Ville-Marie Littérature in 2011, continued publishing unique and inventive literature for children, including *Mingan mon village*, a collection of poems by Innu schoolchildren, illustrated by the incomparable Rogé.

### NEW AT GROUPE HOMME

At Les Éditions de l'Homme, 2012 began on a light-hearted note with the publication of *Dure soirée* by François Morency. The book's positive reception shows the importance of humour in Québec and the talent of its humourists, who have won a large following at home and abroad.

Les Éditions de l'Homme diversified by launching a fiction collection, which includes the novel *Princesse Yennenga* by Réjean Tremblay. Another noteworthy release, *L'Union des artistes – 75 ans de culture au Québec*, tells the story of Québec's artists' union and provides a snapshot of Québec culture and its activism of the past 75 years.

Les Éditions Petit Homme, a new publisher of children's literature, took its first steps by releasing *Lance et Compte – Les débuts*, a series for young readers by Hélène Gagnon and Réjean Tremblay, and *Explore, découvre, apprend*, an educational series.



### CEC PUBLISHING: LEADER IN ACADEMIC PUBLISHING

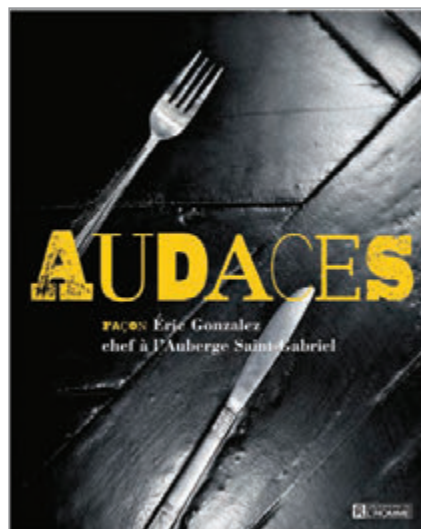
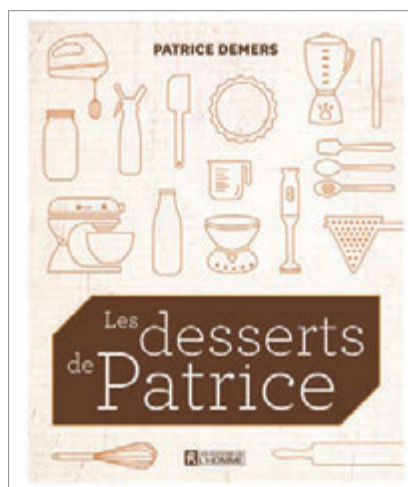
CEC Publishing continued to lead the way in academic publishing in 2012 by launching *myCECzone.com*, a new Web platform that gives teachers and students access to more than 188 digital textbooks. Twenty of its series also offer supplemental interactive online exercises and 19 contain activities designed specifically for interactive whiteboards.

In 2012, CEC Publishing marked the second anniversary of its move into the pre-school segment. A total of 28 new reference works, activity books and other products targeted at this market were released during the year, in addition to the 28 published in 2011. This unique product line, designed to promote school success, positions CEC Publishing as a major player in the pre-school market.

### FRONT-LINE ROLE FOR MESSAGERIES A.D.P.

Messageries A.D.P., the largest distributor of French-language books in Canada, added several new publishing houses to its stable in 2012: Éditions Gründ and Livres du Dragon d’Or of France, publishers of high-quality illustrated books for children and adults, and Éditions Pratico-Pratiques of Québec, which specializes in how-to books geared to do-it-yourself readers.

Messageries A.D.P.’s e-book division was successful in supporting digital publishing projects. Titles from three new publishing houses – Michel Quintin, Perro and Marcel Broquet – were added to its catalogue of nearly 6,000 e-books.



## AWARD-WINNING WRITERS

### AUTHOR

Ryad Assani-Razaki

Thierry Leuzy

Hélène Dorion

Djemila Benhabib

Judy Quinn

### BOOK

*La main d'Iman*

*Thure*

*Cœurs, comme livres d'amour*

*Ma vie à contre Coran  
Les soldats d'Allah à l'assaut  
de l'Occident*

*Hunter s'est laissé couler*

### PRIZE

Finalist, Prix France-Québec

Finalist, Governor General's Award

Winner, Prix Jovette-Bernier 2012

Finalist, Prix Senghor for first novel written in French

Finalist, Governor General's Award

Winner, Prix international de la laïcité 2012

Finalist du Grand Prix littéraire Archambault 2012



Nurun's revenues increased 20% to \$145.5 million in 2012 and profits were also up on the strength of a healthy balance between digital strategy consulting and technological innovation activities.

### NORTH AMERICAN GROWTH

Volume increased substantially in North America during 2012, accounting for the bulk of Nurun's growth. The Québec City office saw a 23% increase, the largest since it opened in 1985. At the Montréal office, development efforts for Quebecor Media yielded new apps for *Le Journal de Montréal* and *Le Journal de Québec*, as well as the 216 community weeklies across Canada. Nurun is particularly proud of the successful paywall it developed for the online versions of Quebecor Media's newspapers. Nurun also carried out major projects in 2012 for several other customers, including Jean Coutu Group (PJC) Inc., which entrusted all its digital activities to Nurun.

In the U.S., the San Francisco office scored a coup by expanding its relationship with Sony, which asked Nurun to help it rethink its global online presence. The Atlanta office strengthened its relationship with GE, one of its major accounts. The Toronto office, which specializes in complex e-commerce Web sites, among other things, landed a contract with Walmart to review its online offerings in Canada.



## EUROPEAN GAINS

In Europe, Nurun had a good year despite the adverse economic environment. While European sales lag North American sales, they were boosted by a number of factors: Nurun landed the Adidas account for all of Europe and projects for Sky Italia in Italy, ING in Spain, and SNCF and the EDF group in France.

In China, Nurun strengthened its position despite aggressive competition thanks to strong relationships with longstanding customers L'Oréal Paris, Pernod-Ricard and Danone. Another sign of Nurun's success was the increase in the staff retention rate, a considerable achievement in the typically high-turnover Chinese labour market.

Also during the year, Nurun Lab started up a number of projects in Montréal, San Francisco, Atlanta and Paris. The Nurun Lab division was created in 2011 to monitor the fast-changing digital marketplace and support innovation at Nurun.



Montréal and Québec City employees turn out for *JDRF Ride for Diabetes Research*.

## CORPORATE SOCIAL RESPONSIBILITY

### OUR EMPLOYEES

Convergence, not only between different platforms and different content formats but also in sales and resources, has become the leitmotif of Quebecor's ecosystem. The Corporation is therefore increasingly focused on the critical importance of building trust among managers, employees and customers. This approach is shared by all subsidiaries and was reflected in their human resources management practices in 2012.

### SUCCESSFUL INITIATIVES

For example, Videotron continued its sustained drive to improve its employees' experience in the workplace and those efforts paid off. A recent study by Aon Hewitt ranked Videotron among Québec's top 20 employers.

At all Quebecor companies, employee mobilization is promoted by sound human resources management and a commitment to employee welfare. For example, in 2012, Videotron's Human Resources Department instituted a continuous improvement process geared toward improving efficiency by eliminating irritants caused by needless or overly complex procedures. The process is now well established and is an integral component of Videotron's management model.

During the year, all of Quebecor Media's group insurance plans were transferred to Desjardins Financial Security. This new partnership with a Québec-based company provides all employees with better service and more attractive benefits, promoting the retention of qualified staff.

### RIGOROUS TRAINING FOR BETTER PERFORMANCE

Quebecor knows that its employees' skills and talents are precious assets. Developing employees' competencies to their full potential is therefore a core element of corporate strategy. Campus Quebecor, the in-house training centre opened by Quebecor in 2009, remains a vital tool for staff in all units. In 2012, it was attended by nearly 400 employees. Also in 2012, Campus Mobile was created to bring instructors to employees rather than vice versa and provide more targeted training. Employee groups across the organization – at Jobboom, Videotron Business Solutions, the community newspapers, National Sales Office and elsewhere – were thereby served more specialized content using an approach tailored to their specific needs.

For its part, Nurun decided to enlist ethnographic research to support digital innovation. It launched experimental ethnographic research projects in the fall of 2012 and subsequently set up a department at Nurun Lab in Montréal where trained anthropologists are working to refine the information yielded by the research studies. The approach is now being implemented across the organization. Nurun has also set up a training tour to improve understanding of online consumer behaviour ("netnography") at all its offices. The international interactive marketing agency, which is experiencing booming growth and hired more than 400 people in 2012, has made employee training a centrepiece of its business strategy.



On August 12, 2012, 200 employees took part in the *Granfondo Garneau-Cascades*, presented by Quebecor.

## PLANNING FOR SUCCESSION

Quebecor has long made it a point of pride to promote internal resources rather than recruiting from outside. This approach capitalizes on employees' specific skills and gives the Corporation a competitive edge. In line with its focus on succession planning and management, Quebecor has launched a professional development initiative, in collaboration with the heads of some subsidiaries, targeting the most promising employees. The succession plan is much more than a report: it has become an effective, full-fledged management tool. During 2012, a number of key positions were filled in-house through this targeted plan.

## RESTRUCTURING PAYS OFF

Sun Media Corporation provides another example of how the Corporation taps into its human resources to drive its progress. Following on the heels of the redesign of the English-language newspaper Web sites, all its newspaper Web sites were entirely overhauled and improved versions launched in 2012. The skills developed internally and the talents discovered within the organization significantly contributed to this major initiative, enabling Sun Media Corporation to demonstrate an ability to operate in a new-tech environment while maintaining its expertise and know-how in traditional media.



Quebecor is proud of the strong female representation on its management team and Board of Directors



Jour de la Terre Québec and partners at ceremonial tree planting on Earth Day, April 22, 2012.

## QUEBECOR AND THE ENVIRONMENT

Quebecor continued its wide-ranging efforts to reduce the environmental effects of its products and services. While its lines of business generally have a limited footprint compared with some other industries, the organization does have a significant impact by virtue of its size. Quebecor therefore believes that its actions matter and that its commitment to the environment will make a difference in the long term.

### PROTECTING THE ENVIRONMENT

For the past three years, Quebecor has been measuring its electricity and fuel consumption and greenhouse gas emissions on a yearly basis. In 2012, the results were again reported to the Carbon Disclosure Project. The Corporation also continued its initiatives to reduce the impact of its vehicle fleets. At Videotron, the installation of hybrid electrical systems on some vehicles and eco-driving education campaigns targeted at employees reduced CO<sub>2</sub> emissions by nearly 17.5% in 2012.

Quebecor made a major effort to reduce the volume of waste it sends to landfill sites through a series of multi-material recycling and computer-recovery initiatives. Videotron also developed a greener approach to managing the wastes generated by its network construction and maintenance operations. In the implementation of all these programs, preference was given to recycler AAFI-Informatique and to non-profit social integration companies such as Insertech Angus and SIT.



© Henri Michaud

24 heures and the STM help green a section of Angrignon Park.

Responsible use of natural resources is one of the core principles of Quebecor's environment strategy. In this spirit, Quebecor Media Printing obtained Forest Stewardship Council (FSC) chain of custody certification in 2012. The print version of the Videotron Directory has also been replaced by the Videotron Smart Find Web and mobile platforms.

With help from its suppliers and the non-profit environmental organization Canopy, Quebecor is working to help change resource management practices in its industry and to develop approaches that are more consistent with sustainable development principles. The process has helped usher in responsible procurement policies at TVA Publications and the Book Group. The latter has also been printing all of its black-and-white books on 100% post-consumer paper for several years. In 2012 alone, that practice saved 11,106 trees, the equivalent of the area of 81 hockey rinks. For more than a year, TVA Publications has been printing its magazines on more than 90% FSC-certified paper, making a contribution to preserving the boreal forest in Québec and the rest of Canada.

### CLOSE PARTNERSHIP WITH JOUR DE LA TERRE QUÉBEC

Quebecor renewed its partnership with Jour de la Terre Québec, the Québec chapter of Earth Day, for the sixth consecutive year in 2012. The collaboration complements the many green projects and initiatives of Quebecor and its subsidiaries.

In partnership with Jour de la Terre Québec, Quebecor has implemented Earth Calling, its own mobile phone recovery program. This initiative, which began in 2008, was coordinated in 2012 with Québec government regulations on product recovery and recycling by businesses and a total of 8,879 devices were collected. Over the life of the program, nearly 87,500 mobile handsets have been collected and the re-use rate has been an enviable 24%. Quebecor is also covering the environmental costs associated with the latest recycling requirements for the vast majority of the items sold in its stores.

Archambault Group is also proud to support Jour de la Terre Québec by donating the proceeds from the sale of single-use and reusable bags in its stores. In 2012, it turned over nearly \$19,000 to Jour de la Terre Québec, which will be used to fund a new special project in 2013.



Caroline Rodrigue of Saint-Basile-le-Grand picks up green award.

The “Porteur d’espoir” environmental award, which Quebecor has been supporting for six years, went to Caroline Rodrigue of St-Basile-le-Grand in 2012. The jury selected her from among some 50 candidates in recognition of the breadth of her commitment to the environment. Caroline Rodrigue has been promoting environmental protection since childhood. The founder of the “Action pour un environnement sain” environmental organization, she is also an environmental columnist on television and speaks in schools.

### AWARENESS RAISING

The capabilities of all Quebecor subsidiaries have long been harnessed to raise public awareness of environmental issues. In 2012, the Corporation continued doing its part to change the habits of its customers, partners, and the general public. The daily *24 heures*, in collaboration with the Société de transport de Montréal, helped green a large section of Angrignon Park. More than 850 tonnes of paper deposited in newspaper recycling bins by Montréal metro passengers in 2011 were symbolically transformed into 1,700 plants to help restore the park’s biodiversity. Planting was coordinated by Héritage Laurentien, a non-profit organization that partners with Montréal’s parks network to protect and enhance the natural environment of the St. Lawrence Valley. Finally, Videotron shared green tech tips every week on social media.



Toronto Sun organizes fundraiser for Sheena's Place.

## PARTNERING WITH THE COMMUNITY

Throughout the year, Quebecor backs organizations that support culture, community action, education, youth, health, and sustainable development. In so doing, it has remained true to the memory of its founder, who believed that a business has a duty to give back to the community that nurtured it. In 2012, Quebecor made contributions worth more than \$36.7 million to more than 375 organizations.

### CHRISTMAS SPIRIT

Videotron signed a two-year partnership agreement with Montréal's Operation Red Nose, an organization created by and for Quebecers that has been fighting impaired driving for nearly 30 years by providing an accessible, confidential drive-home service. Videotron supplied the mobile phones for the 2012 campaign's communication needs. The partnership continued Videotron's commitment to the Montréal community and supported an eminently worthy cause.

The ATCO/Edmonton Sun Christmas Charity Auction raised more than \$200,000 in 2012, bringing the total collected over the years to over \$1.8 million. The proceeds from the auction's 9th year were again divided among four charities: United Way of the Capital Region, the Stollery Children's Hospital Foundation, the Christmas Bureau of Edmonton, and the Sign of Hope Catholic charity. All these organizations provide assistance to many of Edmonton's most underprivileged citizens. In all, hundreds of companies and thousands of *Edmonton Sun* readers contributed generously to the fundraiser.

*Dans le ventre du dragon*, directed by Yves Simoneau, one of 150 Québec movies that have been digitally restored in HD by the "Éléphant" project.



## LITERACY

For 13 years, the Literacy Foundation has been addressing the roots of illiteracy with its "Gift of Reading" program, which targets the most at-risk children in the 0-12 age category. In 2012, Archambault Group was again among the participating bookstores. Since the project began in 1999, Archambault Group has collected thousands of new books to help introduce children from disadvantaged backgrounds to the magic of reading.

## EATING DISORDERS

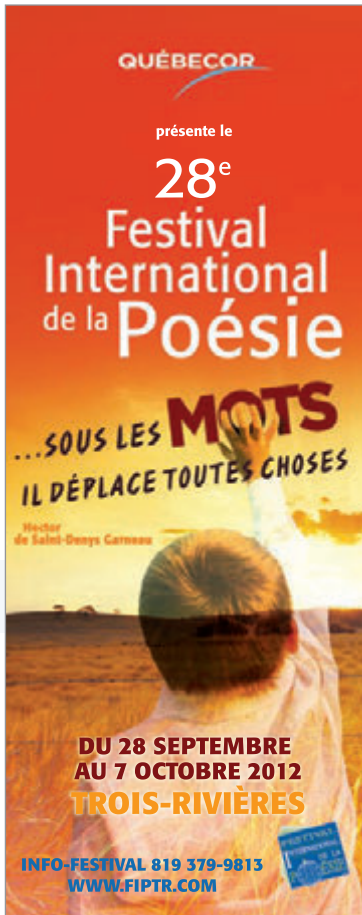
Every year, the *Toronto Sun* organizes a benefit golf tournament to raise money for Sheena's Place, a charitable organization that helps people suffering from eating disorders. One of the founders of Sheena's Place is a former employee whose daughter had struggled with the problem from an early age. Over the past 15 years, the *Toronto Sun* has collected more than \$400,000 to help Sheena's Place continue offering assistance to very vulnerable clients.

## CULTURE

Quebecor's print, electronic and online media properties maintained their commitment to new talent and local events. Partnerships with the Emerging Music Festival in Abitibi-Témiscamingue, the Festival de Cinéma de la Ville de Québec and the Trois-Rivières International Poetry Festival are only a few examples. Quebecor and all its subsidiaries continued promoting many cultural organizations, events and their guest artists, playing a key role in their success.

This financial and promotional backing attests to the close relationship between Quebecor and cultural organizations across Québec and the rest of Canada.

Quebecor's support for culture was also manifested throughout the year by the "Éléphant: mémoire du cinéma québécois" project, which is digitizing all the feature films ever made in Québec and making them readily available to the public. Since it was launched in 2008, more than 150 fictional films have been digitally restored in HD. Now that they have been brought back to life, new generations of film buffs can enjoy them 24/7 on illico on demand. Some had been in such poor condition that they could no longer be screened. Without the Éléphant project, much of our cinematographic heritage would have been lost forever.



Festi Jazz international in Rimouski



Québec cross-country skier Alex Harvey, 2011 team sprint world champion

### CROSS-COUNTRY SKIING YEAR-ROUND

Quebecor also helped the young athletes who train at the Pierre-Harvey national training centre in Saint-Ferréolles-Neiges by supporting the construction of an all-season cross-country ski trail.

The 4.9-kilometre asphalt track makes it possible for Québec's cross-country skiers to train at home, even during the summer. Today, elite skiers typically spend more time training on roller skis than on snow. In Québec, roller skis have been banned from the roads. Without the construction of the new track, athletes would have been forced to leave Québec to train. The inauguration of the track in 2013, during the lead-up to the Winter Olympics in Sochi, Russia, will be welcomed not only by Québec athletes but by all practitioners of cross-country skiing, walking and cycling, as the track will be open to the public.

Quebecor's involvement in this project will also contribute to the success of cross-country skier Alex Harvey, the Québec athlete Quebecor has proudly supported as an official sponsor since 2011. Quebecor remains committed to nurturing Québec talent and encouraging excellence and success. Alex Harvey says that Quebecor's support has been a decisive factor in his career, allowing him to concentrate exclusively on his sport.

## BOARD OF DIRECTORS AND OFFICERS OF QUEBECOR INC.\*

### BOARD OF DIRECTORS

**Françoise Bertrand** <sup>2,3</sup>  
 Chair of the Board,  
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 President and Chief Executive Officer,  
 Fédération des chambres de commerce  
 du Québec

**Jean La Couture**, FCPA, FCA <sup>1</sup>  
 President, Huis Clos Itée

**Sylvie Lalonde** <sup>3</sup>  
 Corporate Director

**Pierre Laurin** <sup>1,2,3</sup>  
 Chairman of the Board,  
 Atrium Innovations Inc.

**A. Michel Lavigne** <sup>1,2</sup>  
 Corporate Director

**Geneviève Marcon**  
 President, GM Développement inc.

**The Right Honourable  
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 Senior Partner,  
 Norton Rose Canada LLP, and  
 Vice Chairman of the Board,  
 Quebecor Inc.

**Pierre Karl Péladeau**  
 Vice Chairman of the Board,  
 Quebecor Inc., and  
 Chairman of the Board,  
 Quebecor Media Inc.

**Normand Provost**  
 Executive Vice-President,  
 Private Equity,  
 Caisse de dépôt et placement du Québec

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**Robert Dépatie**  
 President and Chief Executive Officer

**Jean-François Pruneau**  
 Senior Vice President and  
 Chief Financial Officer

**Denis Sabourin**  
 Vice President and Corporate Controller

**Claudine Tremblay**  
 Vice President and Secretary

**Chloé Poirier**  
 Treasurer

**Dominique Fortin**  
 Assistant Secretary

<sup>1</sup> Member of the Audit Committee

<sup>2</sup> Member of the Compensation Committee

<sup>3</sup> Member of the Corporate Governance and Nominating Committee

\* As of May 8, 2013

## BOARD OF DIRECTORS AND OFFICERS OF QUEBECOR MEDIA INC.\*

### BOARD OF DIRECTORS

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President, Huis Clos Itée

**Sylvie Lalande**  
Corporate Director

**Pierre Laurin** <sup>1,2</sup>  
Chairman of the Board,  
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**A. Michel Lavigne** <sup>1,2,3</sup>  
Corporate Director

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Vice Chairman of the Board,  
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**Pierre Karl Péladeau** <sup>3</sup>  
Vice Chairman of the Board,  
Quebecor Inc., and  
Chairman of the Board,  
Quebecor Media Inc.

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Executive Vice-President,  
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**Robert Dépatie**  
President and Chief Executive Officer

**Jean-François Pruneau**  
Senior Vice President and  
Chief Financial Officer

**Marc M. Tremblay**  
Senior Vice President and  
Chief Legal Officer

**France Lauzière**  
Senior Vice President,  
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**J. Serge Sasseville**  
Senior Vice President,  
Corporate and Institutional Affairs

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Executive Vice President,  
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**Sylvain Bergeron**  
Vice President, Taxation

**Sylvie Cordeau**  
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**André Maynard**  
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**Claudine Tremblay**  
Vice President and Secretary

**Martin Tremblay**  
Vice President, Public Affairs

**Chloé Poirier**  
Treasurer

**Dominique Fortin**  
Assistant Secretary

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**Robert Dépatie**  
President and Chief Executive Officer,  
Sun Media Corporation

**Manon Brouillette**  
President and Chief Operating Officer,  
Videotron Ltd.

**Pierre Dion**  
President and Chief Executive Officer,  
TVA Group Inc., and President,  
TVA Publications Inc.

**Pierre Marchand**  
President, Music segment,  
Archambault Group Inc.

**Donald Lizotte**  
President,  
Le SuperClub Vidéotron Itée, and  
President, Retail segment,  
Archambault Group Inc.

**Céline Massicotte**  
President and  
Chief Operating Officer,  
Sogides Group Inc.

**Christian Jetté**  
President and Chief Executive Officer,  
CEC Publishing Inc.

**Jacques-Hervé Roubert**  
President and Chief Executive Officer,  
Nurun Inc.

<sup>1</sup> Member of the Audit Committee

<sup>2</sup> Member of the Compensation Committee

<sup>3</sup> Member of the Executive Committee

\* As of May 8, 2013