November 9, 2010

For immediate release

QUEBECOR INC. REPORTS CONSOLIDATED RESULTS FOR THIRD QUARTER 2010

Montréal, Québec – Quebecor Inc. ("Quebecor" or the "Company") today reported its consolidated financial results for the third quarter of 2010. Quebecor consolidates the financial results of its Quebecor Media Inc. ("Quebecor Media") subsidiary, in which it holds a 54.7% interest.

Third quarter 2010 highlights

- Quebecor third quarter revenues: $969.9 million in 2010, up $45.4 million (4.9%) from the third quarter of 2009.
- Operating income[1]: $329.9 million, up $28.9 million (9.6%) from the third quarter of 2009.
- Net income: $82.8 million ($1.28 per basic share) compared with $69.4 million ($1.08 per basic share) in the same period of 2009, an increase of $13.4 million ($0.20 per basic share) or 19.3%.
- Adjusted income from continuing operations[2]: $59.7 million ($0.93 per basic share), compared with $52.9 million ($0.82 per basic share) in the same period of 2009, an increase of $6.8 million ($0.11 per basic share) or 12.9%.
- Telecommunications segment: operating income up $24.9 million (10.6%). Net customer base change in quarter ended September 30, 2010: +32,800 for cable telephone service, +32,100 for cable Internet access, +20,500 for cable television (counting 40,300-customer increase for Digital TV), +8,400 subscriber connections on mobile telephone service.
- Videotron Ltd. ("Videotron") successfully launches advanced mobile services network ("3G+ network") on September 9, 2010. As of September 30, 2010, three weeks after the launch, there are 21,900 subscriber connections on the new network, including 11,000 migrations from the mobile virtual network operator ("MVNO") service.
- Restructuring measures in the News Media segment generate additional savings estimated at $29.0 million during the first nine months of 2010 compared with the same period of the previous year, for total annualized savings of $95.0 million since the program began.

"Despite costs incurred in the third quarter of 2010 to launch new products and new initiatives, Quebecor logged an excellent performance and posted increases in revenues, operating income and net income," said Pierre Karl Péladeau, President and Chief Executive Officer of Quebecor. "In the Telecommunications segment, revenues and operating income were both up significantly. Videotron recorded considerable customer additions for all its services, despite aggressive competition in the marketplace.

"A landmark event in the history of Quebecor Media occurred during the third quarter: on September 9, 2010, Videotron launched its new 3G+ network, a major development that will shape the future of the Company and its subsidiaries. Four years after our first notice of intent, and after spending more than $1.0 billion and creating nearly 1,000 jobs, Quebecor Media has kept its promise and built a reliable, effective 3G+ network. This network will provide consumers and businesses with solutions to their telecom needs under one roof. After only three weeks, we had 21,900 subscriber activations on the network, an indication of consumer receptiveness to our offering and of the demand for more competition in the mobile market.

"In conjunction with the 3G+ network launch, Videotron also introduced illico mobile, a service that lets customers use their mobile telephones to access television programs and series from 28 channels, music from 45 Galaxie channels, and the illico mobile store, which carries a varied catalogue of nearly 30,000 digital titles. Quebecor Media intends to use its 3G+ network as the cornerstone of a corporate business strategy geared toward harnessing all of the Company's creative resources and providing consumers with access to the technology, services and information they want, anytime, anywhere.

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

“In the News Media segment, the urban dailies increased their advertising revenues by 2.4% to post advertising growth for the second straight quarter. The Company pushed ahead with its capital expenditures plan in the News Media segment in order to increase its revenue streams. Among other things, the QMI Agency continued its development by setting up two newsrooms in Montréal and Toronto, creating multiplatform teams for event coverage, and centralizing photo coverage across Canada. Since July 1, 2010, the QMI Agency has been the only supplier of general Canadian news content to our media properties, following the termination of Quebecor Media’s relationship with The Canadian Press. Meanwhile, two new community newspapers were launched during the third quarter, *L’Écho de Saint-Eustache* and *Le Point du Lac-Saint-Jean.* The QMI National Sales Office also reached national multiplatform advertising agreements with new clients and the Quebecor Media Network continued development of its own distribution network, expanding its territory to four new regions of Québec.

“In short, Quebecor continued developing growth niches in all its lines of business during the third quarter and will continue doing so in the future in order to set itself apart from the competition and increase the Company’s value.”

Table 1
Quebecor third quarter financial highlights, 2006-2010
(in millions of Canadian dollars, except per share data)

	2010	2009	2008	2007	2006
Revenues	**$ 969.9**	$ 924.5	$ 915.0	$ 840.4	$ 722.6
Operating income[1]	**329.9**	301.0	277.4	256.9	191.9
Income from continuing operations	**82.8**	67.8	45.7	80.5	27.2
Net income	**82.8**	69.4	45.7	(35.0)	33.6
Adjusted income from continuing operations[2]	**59.7**	52.9	42.5	42.3	25.4
Per basic share:					
Income from continuing operations	**1.28**	1.06	0.71	1.25	0.42
Net income	**1.28**	1.08	0.71	(0.54)	0.52
Adjusted income from continuing operations[2]	**0.93**	0.82	0.66	0.66	0.40

1 *See* “Operating income” under “Definitions.”
2 *See* “Adjusted income from continuing operations” under “Definitions.”

Analysis of third quarter 2010 results

- **Revenues:** $969.9 million, an increase of $45.4 million (4.9%).
  - Revenues increased in Telecommunications (by $48.3 million or 9.6% of segment revenues) mainly because of customer growth for all services, in Broadcasting ($5.1 million or 5.7%), and in Interactive Technologies and Communications ($1.2 million or 5.7%).

- Revenues decreased in News Media (by $4.5 million or -1.8%) mainly because of lower circulation revenues, and in Leisure and Entertainment ($2.4 million or -3.0%).

➢ **Operating income:** $329.9 million, an increase of $28.9 million (9.6%).

- Operating income increased in Telecommunications (by $24.9 million or 10.6% of segment operating income), Broadcasting ($3.0 million or 29.1%), Leisure and Entertainment ($0.3 million or 2.5%), and in Interactive Technologies and Communications ($0.2 million or 20.0%).
- Operating income decreased in News Media (by $4.3 million or -9.6%).

➢ **Net income:** $82.8 million ($1.28 per basic share) in the third quarter of 2010, compared with $69.4 million ($1.08 per basic share) in the same period of 2009, an increase of $13.4 million ($0.20 per basic share) or 19.3%.

- The increase was mainly due to:
  - $47.9 million favourable variance in gain on valuation and translation of financial instruments;
  - $28.9 million increase in operating income.

  Partially offset by:
  - $20.7 million increase in income tax expense;
  - $18.7 million increase in charge for restructuring of operations, impairment of assets and other special items;
  - $11.7 million increase in amortization charge.

➢ **Adjusted income from continuing operations:** $59.7 million in the third quarter of 2010 ($0.93 per basic share), compared with $52.9 million ($0.82 per basic share) in the same period of 2009, an increase of $6.8 million ($0.11 per basic share) or 12.9%.

2010/2009 year-to-date comparison

➢ **Revenues:** $2.91 billion, an increase of $137.8 million (5.0%).

- Revenues increased in Telecommunications (by $154.8 million or 10.5% of segment revenues) mainly because of customer growth for all services, in Broadcasting ($4.3 million or 1.4%), and in Interactive Technologies and Communications ($2.6 million or 3.9%).
- Revenues decreased in News Media (by $13.4 million or -1.7%), mainly because of lower advertising revenues at the community newspapers and directories, as well as lower circulation revenues, and in Leisure and Entertainment ($7.4 million or -3.5%).

➢ **Operating income:** $972.6 million, an increase of $83.5 million (9.4%).

- Operating income increased in Telecommunications (by $84.3 million or 12.2% of segment operating income), News Media ($10.0 million or 7.7%), and Interactive Technologies and Communications ($0.8 million or 29.6%).
- Operating income decreased in Broadcasting (by $1.5 million or -3.1%) and in Leisure and Entertainment ($1.2 million or -6.9%).

➢ The change in the fair value of Quebecor Media and in Quebecor's stock price resulted in a total $16.4 million ($0.13 per basic share) unfavourable variance in the stock-based compensation charge in the first nine months of 2010 compared with the same period of 2009.

➢ **Net income:** $186.6 million ($2.90 per basic share), compared with $203.9 million ($3.17 per basic share) in the first nine months of 2009, a variance of $17.3 million ($0.27 per basic share) or -8.5%.

- The decrease was mainly due to:
  - $46.8 million increase in income tax expense;
  - $22.8 million increase in amortization charge;
  - $20.6 million increase in financial expenses;
  - $17.9 million increase in charge for restructuring of operations, impairment of assets and other special items;
  - recognition in the first nine months of 2010 of losses on debt refinancing totalling $12.3 million.

  Partially offset by:
  - $83.5 million increase in operating income;
  - favourable variance related to the recognition in the first nine months of 2009 of a $13.6 million non-cash charge for impairment of goodwill and intangible assets;
  - $12.4 million favourable variance in gains on valuation and translation of financial instruments.

- **Adjusted income from continuing operations:** $175.0 million in the first nine months of 2010 ($2.72 per basic share), compared with $152.3 million ($2.37 per basic share) in the same period of 2009, an increase of $22.7 million ($0.35 per basic share) or 14.9%.

Dividends

On November 9, 2010, 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 21, 2010 to shareholders of record at the close of business on November 26, 2010. This dividend is designated to be an eligible dividend, as provided under subsection 89(14) of the *Canadian Income Tax Act* and its provincial counterpart.

Detailed financial information

For a detailed analysis of Quebecor's third quarter 2010 results, please refer to the Management Discussion and Analysis and consolidated financial statements of Quebecor, available on the Company's website at: <www.quebecor.com/InvestorCenter/QIQuarterlyReports.aspx> or from the SEDAR filing service at <www.sedar.com>.

Conference call for investors and webcast

Quebecor will hold a conference call to discuss the third quarter 2010 results of Quebecor and Quebecor Media on November 9, 2010, at 4:30 p.m. ET. There will be a question period reserved for financial analysts. To access the conference call, please dial 1 877 293-8052, access code 58309#. A tape recording of the call will be available from November 9 to December 9, 2010 by dialling 1 877 293-8133, access code 389395#. The conference call will also be broadcast live on Quebecor's website at <www.quebecor.com/InvestorCenter/QIConferenceCall.aspx>. 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.

Forward-looking statements

The statements in this press release that are not historical facts are forward-looking statements and are subject to significant known and unknown risks, uncertainties and assumptions that could cause 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, 2009.

The forward-looking statements in this press release reflect Quebecor's expectations as of November 9, 2010, and are subject to change after this 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 Company

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. Quebecor Media Inc. owns operating companies in numerous media-related businesses: Videotron Ltd., an integrated communications company engaged in cable television, interactive multimedia development, Internet access services, cable telephone service and mobile telephone service; Sun Media Corporation, the largest publisher of newspapers in Canada; Canoe Inc., operator of a network of English- and French-language Internet properties in Canada; TVA Group Inc., operator of the largest French-language over-the-air television network in Québec, a number of specialty channels, and the English-language over-the-air station Sun TV; Nurun Inc., a major interactive technologies and communications agency with offices in Canada, the United States, Europe and Asia; magazine publisher TVA Publishing Inc.; book publishers and distributors Sogides Group Inc. and CEC Publishing Inc.; Archambault Group Inc. and TVA Films, companies engaged in the production, distribution and retailing of cultural products; Le SuperClub Vidéotron ltée, a DVD and console game rental and retail chain; and Quebecor MediaPages™, a publisher of print and online directories.

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DEFINITIONS

Operating income

In its analysis of operating results, the Company defines operating income, as reconciled to net income under Canadian generally accepted accounting principles ("GAAP"), as net income before amortization, financial expenses, gain on valuation and translation of financial instruments, charge for restructuring of operations, impairment of assets and other special items, loss on debt refinancing, impairment of goodwill and intangible assets, income tax, non-controlling interest and income from discontinued operations. Operating income as defined above is not a measure of results that is consistent with Canadian GAAP. It is not intended to be regarded as an alternative to other financial operating performance measures or to the statement of cash flows as a measure of liquidity. It should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP. Management believes that operating income is a meaningful measure of performance. The Company uses operating income in order to assess the performance of its investment in Quebecor Media*.* The Company's management and Board of Directors use this measure in evaluating its consolidated results, as well as the results of the Company's operating segments. This measure eliminates the significant level of depreciation and amortization of tangible and intangible assets and is unaffected by the capital structure or investment activities of the Company and its segments. Operating income is also relevant because it is a significant component of the Company's annual incentive compensation programs. A limitation of this measure, however, is that it does not reflect the periodic costs of tangible and intangible assets used in generating revenues in the Company's segments. The Company also uses other measures that do reflect such costs, such as cash flows from segment operations and free cash flows from operations. In addition, measures like operating income are commonly used by the investment community to analyze and compare the performance of companies in the industries in which the Company is engaged. The Company's definition of operating income may not be the same as similarly titled measures reported by other companies.

Table 2 below reconciles Quebecor's operating income with the closest Canadian GAAP measure.

Table 2
Reconciliation of the operating income measure used in this press release to the net income measure used in the consolidated financial statements
(in millions of Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2010	2009	**2010**	2009
Operating income (loss):				
Telecommunications	**$ 260.6**	$ 235.7	**$ 776.3**	$ 692.0
News Media	**40.6**	44.9	**140.2**	130.2
Broadcasting	**13.3**	10.3	**46.3**	47.8
Leisure and Entertainment	**12.2**	11.9	**16.3**	17.5
Interactive Technologies and Communications	**1.2**	1.0	**3.5**	2.7
Head Office	**2.0**	(2.8)	**(10.0)**	(1.1)
	329.9	301.0	**972.6**	889.1
Amortization	**(98.5)**	(86.8)	**(280.0)**	(257.2)
Financial expenses	**(67.6)**	(65.9)	**(209.4)**	(188.8)
Gain on valuation and translation of financial instruments	**79.0**	31.1	**69.7**	57.3
Restructuring of operations, impairment of assets and other special items	**(22.6)**	(3.9)	**(26.0)**	(8.1)
Loss on debt refinancing	**–**	–	**(12.3)**	–
Impairment of goodwill and intangible assets	**–**	–	**–**	(13.6)
Income tax	**(62.5)**	(41.8)	**(140.9)**	(94.1)
Non-controlling interest	**(74.9)**	(65.9)	**(187.1)**	(182.3)
Income from discontinued operations	**–**	1.6	**–**	1.6
Net income	**$ 82.8**	$ 69.4	**$ 186.6**	$ 203.9

Adjusted income from continuing operations

The Company defines adjusted income from continuing operations, as reconciled to net income under Canadian GAAP, as net income before gain on valuation and translation of financial instruments, charge for restructuring of operations, impairment of assets and other special items, loss on debt refinancing, impairment of goodwill and of intangible assets, and results of discontinued operations, net of income tax and non-controlling interest. Adjusted income from continuing operations as defined above is not a measure of results that is consistent with Canadian GAAP. It should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP. Management believes that adjusted income from continuing operations is a meaningful measure that provides an indication of the long-term profitability of the Company's operating activities by eliminating the impact of unusual or one-time items. The Company's definition of adjusted income from continuing operations may not be identical to similarly titled measures reported by other companies.

Table 3 provides a reconciliation of adjusted income from continuing operations to the net income measure used in Quebecor's consolidated financial statements.

Table 3
Reconciliation of the adjusted income from continuing operations measure used in this press release to the net income measure used in the consolidated financial statements
(in millions of Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2010	2009	**2010**	2009
Adjusted income from continuing operations	**$ 59.7**	$ 52.9	**$ 175.0**	$ 152.3
Gain on valuation and translation of financial instruments	**79.0**	31.1	**69.7**	57.3
Restructuring of operations, impairment of assets and other special items	**(22.6)**	(3.9)	**(26.0)**	(8.1)
Loss on debt refinancing	**–**	–	**(12.3)**	–
Impairment of goodwill and intangible assets	**–**	–	**–**	(13.6)
Income tax related to adjustments[1]	**(14.5)**	(0.1)	**(7.9)**	35.2
Non-controlling interest related to adjustments	**(18.8)**	(12.2)	**(11.9)**	(20.8)
Income from discontinued operations	**–**	1.6	**–**	1.6
Net income	**$ 82.8**	$ 69.4	**$ 186.6**	$ 203.9

[1] Includes 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 Company 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 Canadian GAAP and the Company's definition and calculation of ARPU may not be the same as identically titled measurements reported by other companies. The Company 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.

QUEBECOR INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(in millions of Canadian dollars, except for earnings per share data) (unaudited)	Three months ended September 30		Nine months ended September 30	
	2010	2009	**2010**	2009
Revenues				
Telecommunications	**$ 551.7**	$ 503.4	**$ 1,623.1**	$ 1,468.3
News Media	**243.1**	247.6	**762.5**	775.9
Broadcasting	**94.3**	89.2	**314.8**	310.5
Leisure and Entertainment	**77.6**	80.0	**204.9**	212.3
Interactive Technologies and Communications	**22.4**	21.2	**70.1**	67.5
Inter-segment	**(19.2)**	(16.9)	**(63.4)**	(60.3)
	969.9	924.5	**2,912.0**	2,774.2
Operating expenses	**640.0**	623.5	**1,939.4**	1,885.1
Amortization	**98.5**	86.8	**280.0**	257.2
Financial expenses	**67.6**	65.9	**209.4**	188.8
Gain on valuation and translation of financial instruments	**(79.0)**	(31.1)	**(69.7)**	(57.3)
Restructuring of operations, impairment of assets and other special items	**22.6**	3.9	**26.0**	8.1
Loss on debt refinancing	**-**	-	**12.3**	-
Impairment of goodwill and intangible assets	**-**	-	**-**	13.6
Income before income taxes and non-controlling interest	**220.2**	175.5	**514.6**	478.7
Income taxes:				
Current	**5.1**	7.6	**65.9**	14.2
Future	**57.4**	34.2	**75.0**	79.9
	62.5	41.8	**140.9**	94.1
	157.7	133.7	**373.7**	384.6
Non-controlling interest	**(74.9)**	(65.9)	**(187.1)**	(182.3)
Income from continuing operations	**82.8**	67.8	**186.6**	202.3
Income from discontinued operations	**-**	1.6	**-**	1.6
Net income	**$ 82.8**	$ 69.4	**$ 186.6**	$ 203.9
Earnings per share				
Basic				
From continuing operations	**$ 1.28**	$ 1.06	**$ 2.90**	$ 3.15
From discontinued operations	**-**	0.02	**-**	0.02
Net income	**1.28**	1.08	**2.90**	3.17
Diluted				
From continuing operations	**$ 1.27**	$ 1.05	**$ 2.86**	$ 3.14
From discontinued operations	**-**	0.02	**-**	0.02
Net income	**1.27**	1.07	**2.86**	3.16
Weighted average number of shares outstanding (in millions)	**64.3**	64.3	**64.3**	64.3
Weighted average number of diluted shares (in millions)	**65.0**	64.6	**65.0**	64.6

QUEBECOR INC. AND ITS SUBSIDIARIES

SEGMENTED INFORMATION

(in millions of Canadian dollars) (unaudited)	Three months ended September 30		Nine months ended September 30	
	2010	2009	**2010**	2009
Income from continuing operations 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, income taxes and non-controlling interest				
Telecommunications	**$ 260.6**	$ 235.7	**$ 776.3**	$ 692.0
News Media	**40.6**	44.9	**140.2**	130.2
Broadcasting	**13.3**	10.3	**46.3**	47.8
Leisure and Entertainment	**12.2**	11.9	**16.3**	17.5
Interactive Technologies and Communications	**1.2**	1.0	**3.5**	2.7
Head Office	**2.0**	(2.8)	**(10.0)**	(1.1)
	$ 329.9	$ 301.0	**$ 972.6**	$ 889.1
Amortization				
Telecommunications	**$ 73.7**	$ 63.1	**$ 209.9**	$ 187.2
News Media	**16.3**	15.8	**45.8**	45.7
Broadcasting	**3.9**	3.6	**11.3**	10.7
Leisure and Entertainment	**2.5**	2.2	**7.3**	7.0
Interactive Technologies and Communications	**1.1**	0.9	**3.0**	3.1
Head Office	**1.0**	1.2	**2.7**	3.5
	$ 98.5	$ 86.8	**$ 280.0**	$ 257.2
Additions to property, plant and equipment				
Telecommunications	**$ 186.2**	$ 114.1	**$ 469.7**	$ 318.0
News Media	**3.7**	3.4	**7.0**	20.2
Broadcasting	**3.3**	4.3	**11.8**	12.8
Leisure and Entertainment	**0.8**	0.4	**3.4**	1.5
Interactive Technologies and Communications	**0.4**	0.4	**2.0**	2.6
Head Office	**0.6**	0.6	**1.8**	2.6
	$ 195.0	$ 123.2	**$ 495.7**	$ 357.7
Additions to intangible assets				
Telecommunications	**$ 23.5**	$ 23.8	**$ 72.4**	$ 68.8
News Media	**1.8**	6.7	**7.5**	9.5
Broadcasting	**1.3**	1.2	**4.1**	4.1
Leisure and Entertainment	**1.7**	1.0	**5.8**	3.4
Interactive Technologies and Communications	**-**	0.2	**-**	0.2
	$ 28.3	$ 32.9	**$ 89.8**	$ 86.0
Externally acquired intangible assets	**$ 13.8**	$ 22.2	**$ 44.6**	$ 52.2
Internally generated intangible assets	**14.5**	10.7	**45.2**	33.8
	$ 28.3	$ 32.9	**$ 89.8**	$ 86.0

QUEBECOR INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars) (unaudited)	Three months ended September 30		Nine months ended September 30	
	2010	2009	**2010**	2009
Net income	**$ 82.8**	$ 69.4	**$ 186.6**	$ 203.9
Other comprehensive (loss) income:				
Unrealized gain (loss) on translation of net investments in foreign operations	**1.1**	(0.7)	**(1.8)**	(2.0)
(Loss) gain on valuation of derivative financial instruments	**(7.7)**	12.4	**95.4**	16.2
Income taxes related to derivative financial instruments	**3.7**	17.4	**(13.8)**	33.9
Non-controlling interest	**1.3**	(13.1)	**(36.1)**	(21.8)
Reclassification to income of other comprehensive loss related to derivative financial instruments, net of income taxes of $2.5 million and of non-controlling interest of $2.7 million, in the nine-month period ended September 30, 2010	**-**	-	**3.2**	-
	(1.6)	16.0	**46.9**	26.3
Comprehensive income	**$ 81.2**	$ 85.4	**$ 233.5**	$ 230.2

QUEBECOR INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in millions of Canadian dollars)
(unaudited)

	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive loss	Total shareholders' equity
Balance as of December 31, 2008	$ 346.6	$ -	$ 565.3	$ (27.5)	$ 884.4
Net income	-	-	203.9	-	203.9
Dividends	-	-	(9.6)	-	(9.6)
Related party transactions	-	4.8	-	-	4.8
Other comprehensive income	-	-	-	26.3	26.3
Balance as of September 30, 2009	346.6	4.8	759.6	(1.2)	1,109.8
Net income	-	-	73.8	-	73.8
Dividends	-	-	(3.3)	-	(3.3)
Related party transactions	-	(0.1)	-	-	(0.1)
Other comprehensive loss	-	-	-	(9.8)	(9.8)
Balance as of December 31, 2009	346.6	4.7	830.1	(11.0)	1,170.4
Net income	-	-	186.6	-	186.6
Dividends	-	-	(9.6)	-	(9.6)
Other comprehensive income	-	-	-	46.9	46.9
Balance as of September 30, 2010	**$ 346.6**	**$ 4.7**	**$ 1,007.1**	**$ 35.9**	**$ 1,394.3**

QUEBECOR INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars) (unaudited)	Three months ended September 30		Nine months ended September 30	
	2010	2009	**2010**	2009
Cash flows related to operating activities				
Income from continuing operations	**$ 82,8**	$ 67,8	**$ 186,6**	$ 202,3
Adjustments for:				
Amortization of property, plant and equipment	**78,3**	73,8	**233,9**	220,3
Amortization of intangible and other assets	**20,2**	13,0	**46,1**	36,9
Gain on valuation and translation of financial instruments	**(79,0)**	(31,1)	**(69,7)**	(57,3)
Amortization of financing costs and long-term debt discount	**3,1**	2,7	**9,3**	7,5
Loss on debt refinancing	**-**	-	**12,3**	-
Impairment of property, plant and equipment and other assets	**5,4**	0,4	**11,1**	0,4
Impairment of goodwill and intangible assets	**-**	-	**-**	13,6
Future income taxes	**57,4**	34,2	**75,0**	79,9
Non-controlling interest	**74,9**	65,9	**187,1**	182,3
Other	**(0,5)**	2,5	**(4,5)**	0,4
	242,6	229,2	**687,2**	686,3
Net change in non-cash balances related to operating activities	**61,8**	50,7	**2,1**	(74,1)
Cash flows provided by operating activities	**304,4**	279,9	**689,3**	612,2
Cash flows related to investing activities				
Business acquisitions, net of cash and cash equivalents	**(2,0)**	(2,1)	**(3,1)**	(4,6)
Business disposals, net of cash and cash equivalents	**0,3**	1,3	**2,1**	12,7
Additions to property, plant and equipment	**(195,0)**	(123,2)	**(495,7)**	(357,7)
Additions to intangible assets	**(28,3)**	(32,9)	**(89,8)**	(86,0)
Proceeds from disposals of assets	**2,3**	0,5	**49,6**	1,5
Net change in temporary investments	**-**	-	**30,0**	-
Other	**0,3**	0,4	**0,3**	0,4
Cash flows used in investing activities	**(222,4)**	(156,0)	**(506,6)**	(433,7)
Cash flows related to financing activities				
Net change in bank indebtedness	**(1,0)**	2,9	**2,0**	14,6
Issuance of long-term debt, net of financing fees	**-**	-	**292,7**	325,5
Net change under revolving bank facilities	**(0,1)**	7,9	**2,5**	(214,0)
Repayments of long-term debt	**(22,3)**	(13,0)	**(342,5)**	(36,9)
Settlement of hedging contracts	**-**	-	**(32,4)**	-
Dividends	**(3,2)**	(3,2)	**(9,6)**	(9,6)
Dividends paid to non-controlling shareholders	**(11,9)**	(9,1)	**(30,1)**	(27,4)
Other	**-**	0,1	**-**	0,1
Cash flows (used in) provided by financing activities	**(38,5)**	(14,4)	**(117,4)**	52,3
Net change in cash and cash equivalents	**43,5**	109,5	**65,3**	230,8
Effect of exchange rate changes on cash and cash equivalents denominated in foreign currencies	**0,2**	(0,2)	**(0,8)**	(0,6)
Cash and cash equivalents at beginning of period	**320,8**	130,9	**300,0**	10,0
Cash and cash equivalents at end of period	**$ 364,5**	$ 240,2	**$ 364,5**	$ 240,2
Cash and cash equivalents consist of				
Cash	**$ 92,5**	$ 63,1	**$ 92,5**	$ 63,1
Cash equivalents	**272,0**	177,1	**272,0**	177,1
	$ 364,5	$ 240,2	**$ 364,5**	$ 240,2
Non-cash investing activities				
Additions to property, plant and equipment and intangible assets financed with accounts payable	**$ 17,6**	$ (2,8)	**$ 132,9**	$ 50,5
Cash interest payments	**$ 33,8**	$ 38,7	**$ 188,7**	$ 189,9
Cash income tax payments (net of refunds)	**6,9**	4,3	**34,1**	13,1

QUEBECOR INC. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars)
(unaudited)

	September 30, 2010	December 31, 2009
Assets		
Current assets		
Cash and cash equivalents	$ 364,5	$ 300,0
Cash and cash equivalents in trust	5,3	5,3
Temporary investments	-	30,0
Accounts receivable	488,7	519,8
Income taxes	9,8	1,3
Inventories	202,6	176,1
Prepaid expenses	43,1	29,1
Future income taxes	48,7	49,8
	1 162,7	1 111,4
Property, plant and equipment	2 745,5	2 498,6
Intangible assets	1 087,6	1 052,7
Derivative financial instruments	72,1	49,0
Other assets	140,1	122,5
Future income taxes	8,8	12,5
Goodwill	3 507,5	3 506,1
	$ 8 724,3	$ 8 352,8
Liabilities and shareholders' equity		
Current liabilities		
Bank indebtedness	$ 3,8	$ 1,8
Accounts payable and accrued charges	790,9	792,2
Deferred revenues	244,3	234,7
Income taxes	49,1	16,3
Current portion of long-term debt	46,5	68,6
	1 134,6	1 113,6
Long-term debt	3 671,4	3 811,9
Derivative financial instruments	375,3	422,4
Other liabilities	162,4	131,8
Future income taxes	573,7	485,9
Non-controlling interest	1 412,6	1 216,8
Shareholders' equity		
Capital stock	346,6	346,6
Contributed surplus	4,7	4,7
Retained earnings	1 007,1	830,1
Accumulated other comprehensive income (loss)	35,9	(11,0)
	1 394,3	1 170,4
	$ 8 724,3	$ 8 352,8