May 3, 2018

For immediate release

TVA GROUP POSTS $2.9 MILLION INCREASE IN ADJUSTED OPERATING INCOME[1] IN THE FIRST QUARTER OF Q1 2018

Montreal, Canada – TVA Group Inc. ("TVA Group" or the "Corporation") announced today that it recorded a net loss attributable to shareholders in the amount of $5.0 million or a loss of $0.12 per share in the first quarter of 2018, compared with a net loss attributable to shareholders of $8.0 million or a loss of $0.19 per share in the same quarter of 2017.

First quarter operating highlights:

- Consolidated adjusted operating income[1] of $2,293,000 representing a favourable variance of $2,887,000 from the same quarter of 2017.

- $2,406,000 adjusted operating income[1] in the Broadcasting & Production segment representing a favourable variance of $1,749,000 mainly because of a 67.6% decrease in the "TVA Sports" channel's adjusted operating loss[1] and a 5.0% increase in the adjusted operating income[1] of the other specialty services, despite a decrease in TVA Network's adjusted operating income.[1]

- $875,000 adjusted operating income[1] in the Magazines segment, a favourable variance of $491,000 primarily as a result of savings generated by various staff and expense rationalization plans implemented in 2017 and the first quarter of 2018.

- $988,000 adjusted operating loss[1] in the Film Production & Audiovisual Services segment ("MELS") representing a favourable variance of $647,000 essentially because of a decrease in the adjusted operating loss[1] of soundstage, mobile unit and production equipment rental services.

"We are satisfied with our results for the first quarter of fiscal year 2018. The Broadcasting & Production segment's financial results were up slightly because of improved results at "TVA Sports" and our other specialty channels as a whole. We are pleased to announce that "TVA Sports" will be the French-language broadcaster of the Euro 2020 soccer tournament, further enriching the quality and diversity of our sports programming, which addresses the full breadth of Quebecers' interests.

Our just-announced agreement to acquire the "Évasion" and "Zeste" specialty channels is consistent with our strategy of growing and diversifying our revenue streams. We are very enthusiastic about adding these two channels, subject to CRTC approval, and expanding our content offerings.

TVA Network's market share held steady at 24.1%[2] despite the PyeongChang 2018 Winter Olympics aired on Radio-Canada. "Prise 2" posted very strong growth with a 1.0 percentage point jump in its market share while "LCN" was up 0.2 points to 4.4%[2] compared with 2.5%[2] for its main rival, RDI," commented France Lauzière, President and CEO of TVA Group.

[1] See definition of adjusted operating income (loss) below.
[2] Numeris – Quebec Franco, January 1 to March 31, 2018, Mon-Sun, 2 a.m. – 2 a.m., t2+

“Although the decline in our Magazines segment’s operating revenues continued in the first quarter of 2018, we were able to improve the segment’s financial results by continuing our efforts to cut operating expenses and focusing on our strongest brands. According to the latest Vividata survey, we are reaching 9.1 million[1] readers in Canada across all platforms. Our English-language titles have 6.7 million readers and our French-language titles 2.9 million”, added Ms Lauzière.

“Lastly, the Film Production & Audiovisual Services segment posted a year-over-year improvement in financial results for the fourth consecutive quarter as a result of increased adoption of our services by local and international producers. During the quarter, we added mobile unit rental and related technical expertise to our services with the acquisition of the assets of Mobilimage inc. We are also very proud of the two prizes won by MELS’ professionals at the Canadian Screen Awards – for Achievement in Visual Effects and Achievement in Overall Sound – and their six nominations for the 2018 Gala Québec Cinéma,” concluded Ms. Lauzière.

Definition

Adjusted operating income (loss) (“Adjusted operating results”)

In its analysis of operating results, the Corporation defines adjusted operating income (loss) as net income (loss) before depreciation of property, plant and equipment, amortization of intangible assets, financial expenses, operational restructuring and others, income taxes and share of income of associated corporations. Adjusted operating income (loss) as defined above is not a measure of results that is consistent with International Financial Reporting Standards (“IFRS”). Neither is it intended to be regarded as an alternative to other financial performance measures or to the statement of cash flows as a measure of liquidity. This measure should not be considered in isolation or as a substitute for other performance measures prepared in accordance with IFRS. This measure is used by management and the Board of Directors to evaluate the Corporation’s consolidated results and the results of its segments. This measure eliminates the significant level of impairment, depreciation and amortization of tangible and intangible assets and is unaffected by the capital structure or investment activities of the Corporation and its segments. Adjusted operating income (loss) is also relevant because it is a significant component of the Corporation’s annual incentive compensation programs. The Corporation’s definition of adjusted operating income (loss) may not be identical to similarly titled measures reported by other companies.

Conference call for investors

TVA Group will hold a conference call to discuss its first quarter 2018 results on May 3, 2018, at 2:00 p.m. EST. There will be a question period reserved for financial analysts. To access the call, please dial 1-877-293-8052, access code for participants 66581#. A tape recording of the call will be available from May 3 to June 3, 2018 by dialling 1-877-293-8133, conference number 1230739#, access code for participants 66581#.

Forward-looking information disclaimer

The statements in this news release that are not historical facts may be forward-looking statements and are subject to important known and unknown risks, uncertainties and assumptions which could cause the Corporation’s actual results for future periods to differ materially from those set forth in the forward-looking statements. Forward-looking statements generally can be identified by the use of the conditional, the use of forward-looking terminology such as “propose,” “will,” “expect,” “may,” “anticipate,” “intend,” “estimate,” “plan,” “foresee,” “believe” or the negative of these terms or variations of them or similar terminology. Certain factors that may cause actual results to differ from current expectations include seasonality, operational risks (including pricing actions by competitors and the risk of loss of key customers in the Film Production & Audiovisual Services segment), programming, content and production cost risks, credit risk, government regulation risks, government assistance risks, changes in economic conditions, fragmentation of the media landscape, risk related to the Corporation’s ability to adapt to fast-paced technological change and to new delivery and storage methods, and labour relation risks.

[1] Vividata, Spring 2018, Total Canada, 12+, January 1 to December 31, 2017

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 the Corporation's actual results to differ from current expectations, please refer to the Corporation's public filings, available at www.sedar.com and http://groupetva.ca, including in particular the "Risks and Uncertainties" section of the Corporation's annual Management's Discussion and Analysis for the year ended December 31, 2017 and the "Risk Factors" section in the Corporation's 2017 annual information form.

The forward-looking statements in this news release reflect the Corporation's expectations as of May 3, 2018 and are subject to change after this date. The Corporation 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, unless required to do so by the applicable securities laws.

TVA Group

TVA Group Inc., a subsidiary of Quebecor Media Inc., is a communications company engaged in the broadcasting, film and audiovisual production, and magazine publishing industries. TVA Group Inc. is North America's largest broadcaster of French-language entertainment, information and public affairs programming and one of the largest private-sector producers of French-language content. It is also the largest publisher of French-language magazines and publishes some of the most popular English-language titles in Canada. The Corporation's Class B shares are listed on the Toronto Stock Exchange under the ticker symbol TVA.B.

Source:
Denis Rozon, CPA, CA
Vice President and Chief Financial Officer
(514) 598-2808

TVA GROUP INC.
Interim consolidated statements of loss

(unaudited)
(in thousands of Canadian dollars, except per-share amounts)

	Note		2018		2017
			Three-month periods ended March 31		
Revenues	3	**$**	**133,836**	$	141,124
Purchases of goods and services	4		**94,347**		102,905
Employee costs			**37,196**		38,813
Depreciation of property, plant and equipment and amortization of intangible assets			**8,756**		8,823
Financial expenses	5		**587**		635
Operational restructuring costs and others	6		**104**		832
Loss before tax recovery and share of income of associated corporations			**(7,154)**		(10,884)
Tax recovery			**(1,723)**		(2,602)
Share of income of associated corporations			**(284)**		(202)
Net loss		**$**	**(5,147)**	$	(8,080)
Net loss attributable to:					
Shareholders		**$**	**(4,991)**	$	(8,032)
Non-controlling interest			**(156)**		(48)
Basic and diluted loss per share attributable to shareholders	8 c)	**$**	**(0.12)**	$	(0.19)

See accompanying notes to condensed interim consolidated financial statements.

TVA GROUP INC.
Interim consolidated statements of comprehensive loss

(unaudited)
(in thousands of Canadian dollars)

	Three-month periods ended March 31	
	2018	2017
Net loss	**$ (5,147)**	$ (8,080)
Other comprehensive items that may be reclassified to income:		
Cash flow hedge:		
Gain on valuation of derivative financial instruments	**–**	45
Deferred income taxes	**–**	(12)
	–	33
Comprehensive loss	**$ (5,147)**	$ (8,047)
Comprehensive loss attributable to:		
Shareholders	**$ (4,991)**	$ (7,999)
Non-controlling interest	**(156)**	(48)

See accompanying notes to condensed interim consolidated financial statements.

TVA GROUP INC.
Interim consolidated statements of changes in equity

(unaudited)
(in thousands of Canadian dollars)

	Equity attributable to shareholders				Equity attributable to non-controlling interest	Total equity
	Capital stock (note 8)	Contributed surplus	Retained earnings	Accumulated other comprehensive income (note 10)		
Balance as at December 31, 2016	$ 207,280	$ 581	$ 67,514	$ 2,010	$ 840	$ 278,225
Net loss	–	–	(8,032)	–	(48)	(8,080)
Other comprehensive income	–	–	–	33	–	33
Balance as at March 31, 2017	207,280	581	59,482	2,043	792	270,178
Net (loss) income	–	–	(7,919)	–	338	(7,581)
Other comprehensive income	–	–	–	932	–	932
Balance as at December 31, 2017	207,280	581	51,563	2,975	1,130	263,529
Net loss	–	–	(4,991)	–	(156)	(5,147)
Balance as at March 31, 2018	**$ 207,280**	**$ 581**	**$ 46,572**	**$ 2,975**	**$ 974**	**$ 258,382**

See accompanying notes to condensed interim consolidated financial statements.

TVA GROUP INC.
Interim consolidated balance sheets

(unaudited)
(in thousands of Canadian dollars)

	Note	March 31, 2018	December 31, 2017
Assets			
Current assets			
Cash		**$ 1,966**	$ 21,258
Accounts receivable		**130,950**	144,913
Income taxes		**2,933**	596
Programs, broadcast rights and inventories		**82,000**	79,437
Prepaid expenses		**6,215**	3,736
		224,064	249,940
Non-current assets			
Broadcast rights		**45,026**	43,031
Investments		**13,135**	12,851
Property, plant and equipment		**197,412**	200,510
Intangible assets		**13,684**	15,120
Goodwill	7	**8,534**	7,892
Defined benefit plan asset		**1,967**	2,873
Deferred income taxes		**14,592**	14,015
		294,350	296,292
Total assets		**$ 518,414**	$ 546,232

TVA GROUP INC.
Interim consolidated balance sheets (continued)

(unaudited)
(in thousands of Canadian dollars)

	Note	**March 31, 2018**	December 31, 2017
Liabilities and equity			
Current liabilities			
Accounts payable and accrued liabilities		**$ 92,276**	$ 104,505
Income taxes		**456**	6,314
Broadcast rights payable		**71,701**	69,244
Provisions		**9,188**	8,937
Deferred revenues		**14,854**	18,728
Current portion of long-term debt		**10,313**	9,844
		198,788	217,572
Non-current liabilities			
Long-term debt		**49,896**	52,708
Other liabilities		**10,556**	11,632
Deferred income taxes		**792**	791
		61,244	65,131
Equity			
Capital stock	8	**207,280**	207,280
Contributed surplus		**581**	581
Retained earnings		**46,572**	51,563
Accumulated other comprehensive income	10	**2,975**	2,975
Equity attributable to shareholders		**257,408**	262,399
Non-controlling interest		**974**	1,130
		258,382	263,529
Event subsequent to balance sheet date	12		
Total liabilities and equity		**$ 518,414**	$ 546,232

See accompanying notes to condensed interim consolidated financial statements.

On May 3, 2018, the Board of Directors approved the condensed interim consolidated financial statements for the three-month periods ended March 31, 2018 and 2017.

TVA GROUP INC.
Interim consolidated statements of cash flows

(unaudited)
(in thousands of Canadian dollars)

	Note	2018	2017
		Three-month periods ended March 31	
Cash flows related to operating activities			
Net loss		**$ (5,147)**	$ (8,080)
Adjustments for:			
Depreciation and amortization		**8,805**	8,872
Share of income of associated corporations		**(284)**	(202)
Deferred income taxes		**(576)**	(1,692)
Gain on disposal of assets	6	**(1,000)**	–
Others		**–**	1
Cash flows provided by (used in) current operations		**1,798**	(1,101)
Net change in non-cash operating assets and liabilities		**(10,122)**	(20,313)
Cash flows used in operating activities		**(8,324)**	(21,414)
Cash flows related to investing activities			
Additions to property, plant and equipment		**(3,714)**	(5,740)
Additions to intangible assets		**(1,467)**	(348)
Business acquisition	7	**(2,705)**	–
Others		**(600)**	–
Cash flows used in investing activities		**(8,486)**	(6,088)
Cash flows related to financing activities			
Change in bank overdraft		**–**	7,214
(Repayment of) increase in long-term debt		**(2,392)**	5,298
Repayment of derivative financial instruments		**–**	(41)
Others		**(90)**	–
Cash flows (used in) provided by financing activities		**(2,482)**	12,471
Net change in cash		**(19,292)**	(15,031)
Cash, beginning of year		**21,258**	17,219
Cash, end of period		**$ 1,966**	$ 2,188
Interest and taxes reflected as operating activities			
Net interest paid		**$ 463**	$ 580
Income taxes paid (received) (net of refunds or payments)		**7,047**	(726)

See accompanying notes to condensed interim consolidated financial statements.

TVA Group Inc. ("TVA Group" or the "Corporation") is governed by the Quebec *Business Corporations Act*. TVA Group is a communications company engaged in the Broadcasting & Production, Film Production & Audiovisual Services, and Magazines businesses (note 11). The Corporation is a subsidiary of Quebecor Media Inc. ("Quebecor Media" or the "parent corporation") and its ultimate parent corporation is Quebecor Inc. ("Quebecor"). The Corporation's head office is located at 1600 de Maisonneuve Boulevard East, Montreal, Quebec, Canada.

The Corporation's businesses experience significant seasonality due to, among other factors, seasonal advertising patterns, consumers' viewing, reading and listening habits, and demand for production services from international and local producers. Because the Corporation depends on the sale of advertising for a significant portion of its revenues, operating results are also sensitive to prevailing economic conditions, including changes in local, regional and national economic conditions, particularly as they may affect advertising expenditures. Accordingly, the results of operations for interim periods should not necessarily be considered indicative of full-year results.

1. Basis of presentation

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), except that they do not include all disclosures required under IFRS for annual consolidated financial statements. In particular, these consolidated financial statements were prepared in accordance with IAS 34, *Interim Financial Reporting*, and are condensed consolidated financial statements. These condensed consolidated financial statements should be read in conjunction with the Corporation's 2017 annual consolidated financial statements, which describe the accounting policies used to prepare these financial statements.

Comparative figures for the three-month period ended March 31, 2017 have been restated to conform to the presentation adopted for the three-month period ended March 31, 2018.

2. Changes in accounting policies

(i) IFRS 9 – *Financial Instruments*

On January 1, 2018, the Corporation adopted the new rules under IFRS 9, which simplifies the measurement and classification of financial assets by reducing the number of measurement categories in IAS 39, *Financial Instruments: Recognition and Measurement.* The new standard also provides for a fair value option in the designation of a non-derivative financial liability and its related classification and measurement, as well as for a new hedge accounting model more closely aligned with risk management activities undertaken by entities.

Under the new rules, financial assets and liabilities are now all classified as subsequently measured at amortized cost.

The adoption of IFRS 9 by the Corporation had no impact on the consolidated financial statements.

(Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

2. Changes in accounting policies (continued)

(ii) IFRS 15 – *Revenue from Contracts with Customers*

On January 1, 2018, the Corporation also adopted on a fully retrospective basis the new rules under IFRS 15 which specifies how and when an entity should recognize revenue as well as requiring such entities to provide users of financial statements with more informative disclosures.

The standard provides a single, principles-based five-step model to be applied to all contracts with customers. Accordingly, the Corporation now recognizes a contract with a customer only when all of the following criteria are satisfied:

- The parties to the contract have approved the contract - in writing, orally or in accordance with other customary business practices - and are committed to performing their respective obligations;
- The entity can identify each party's rights regarding the goods or services to be transferred;
- The entity can identify the payment terms for the goods or services to be transferred;
- The contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

The adoption of IFRS 15 by the Corporation had no impact on the consolidated financial statements.

3. Revenues

The breakdown of revenues is as follows:

	Three-month periods ended March 31	
	2018	2017
Advertising services	**$ 68,466**	$ 73,079
Royalties	**31,571**	32,188
Rental and postproduction services and other services rendered	**14,643**	15,997
Product sales(1)	**19,156**	19,860
	$ 133,836	$ 141,124

(1) Revenues from product sales include newsstand and subscription sales of magazines and sales of audiovisual content.

(Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

4. Purchases of goods and services

The main components of purchases of goods and services are as follows:

	Three-month periods ended March 31	
	2018	2017
Rights and production costs	**$ 64,271**	$ 69,232
Printing and distribution	**5,529**	6,771
Services rendered by parent corporation:		
- Commissions on advertising sales	**7,147**	5,338
- Others	**2,297**	2,242
Building costs	**5,147**	5,859
Marketing, advertising and promotion	**4,041**	4,265
Others	**5,915**	9,198
	$ 94,347	$ 102,905

5. Financial expenses

	Three-month periods ended March 31	
	2018	2017
Interest on long-term debt	**$ 586**	$ 588
Foreign exchange gain	**(5)**	(30)
Amortization of financing costs	**49**	49
Interest expense on net defined benefit liability or asset	**50**	24
Others	**(93)**	4
	$ 587	$ 635

(Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

6. Operational restructuring costs and others

	Three-month periods ended March 31	
	2018	2017
Operational restructuring costs	**$ 877**	$ 752
Others	**(773)**	80
	$ 104	$ 832

<u>Operational restructuring costs</u>

During the three-month periods ended March 31, 2018 and 2017, the Corporation recorded the following operational restructuring costs in connection with the elimination of positions:

	Three-month periods ended March 31	
	2018	2017
Broadcasting & Production	**$ 63**	$ 472
Magazines	**708**	146
Film Production & Audiovisual Services	**106**	134
	$ 877	$ 752

<u>Others</u>

In the first quarter of 2018, the Corporation recorded a $1,000,000 gain on disposal of assets in connection with the sale of *The Hockey News* magazine.

During the three-month period ended March 31, 2018, the Corporation also made a $119,000 upward adjustment to the provision for onerous leases in the Magazines segment.

(Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

7. Business acquisition

On January 22, 2018, the Corporation acquired the assets of Mobilimage inc., consisting essentially of mobile production vehicles and equipment, for a cash purchase price of $2,705,000, consisting of the agreed price of $2,750,000 less a $45,000 adjustment related to a pre-established working capital target agreed to by the parties. The acquired company's mobile production vehicle and equipment rental activities have been incorporated into the Film Production & Audiovisual Services segment's operations. The purchase price allocation was calculated on a preliminary basis and will be finalized shortly.

The acquisition was consistent with the Corporation's strategic objective of offering an array of production equipment and services in order to meet producers' needs and reduce the use of outsourced services for its own production needs. The goodwill related to the acquisition arises mainly from expected synergies.

8. Capital stock

(a) Authorized capital stock

An unlimited number of Class A common shares, participating, voting, without par value.

An unlimited number of Class B shares, participating, non-voting, without par value.

An unlimited number of preferred shares, non-participating, non-voting, with a par value of $10 each, issuable in series.

(b) Issued and outstanding capital stock

		March 31, 2018		December 31, 2017
4,320,000 Class A common shares	**$**	**72**	$	72
38,885,535 Class B shares		**207,208**		207,208
	$	**207,280**	$	207,280

(Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

8. Capital stock (continued)

(c) Loss per share attributable to shareholders

The following table shows the computation of loss per basic and diluted share attributable to shareholders:

	Three-month periods ended March 31	
	2018	2017
Net loss attributable to shareholders	**$ (4,991)**	$ (8,032)
Weighted average number of basic and diluted shares outstanding	**43,205,535**	43,205,535
Basic and diluted loss per share attributable to shareholders	**$ (0.12)**	$ (0.19)

The loss per diluted share calculation does not take into consideration the potential dilutive effect of stock options of the Corporation because their impact is non-dilutive.

9. Stock-based compensation and other stock-based payments

(a) Class B stock option plan for officers

During the three-month period ended March 31, 2018, no stock options were granted. As at March 31, 2018 and December 31, 2017, 60,000 options with a weighted average exercise price of $6.85 were outstanding.

Of the options outstanding as at March 31, 2018, 36,000 Corporation Class B stock options could be exercised at an average price of $6.85.

(Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

9. Stock-based compensation and other stock-based payments (continued)

(b) Quebecor Media stock option plan

	Three-month period ended March 31, 2018	
	Number	Weighted average exercise price
Balance as at December 31, 2017	66,900	$ 65.64
Options related to executives transferred to TVA Group	45,800	59.70
Exercised	(8,500)	59.16
Balance as at March 31, 2018	**104,200**	**$ 63.56**

Of the options outstanding as at March 31, 2018, 39,700 Quebecor Media stock options could be exercised at an average price of $64.39.

During the three-month period ended March 31, 2018, 8,500 Quebecor Media stock options were exercised for a cash consideration of $303,000 (during the three-month period ended March 31, 2017, 5,800 stock options were exercised for a cash consideration of $51,000).

(c) Deferred stock unit (“DSU”) and performance stock unit (“PSU”) plans

TVA Group has a DSU plan and a PSU plan for some management employees based on TVA Group Class B Non-Voting Shares (“TVA Group Class B Shares”). Quebecor also has DSU and PSU plans for its employees and those of its subsidiaries, based on, among other things, Quebecor Class B Shares. Under these plans, the DSUs vest over six years and will be redeemed for cash only upon the participant’s retirement or cessation of employment, as the case may be. The PSUs vest over three years and will be redeemed for cash at the end of that period, subject to achievement of financial targets. Under the TVA Group plan, holders of DSUs and PSUs are entitled to receive dividends on TVA Group Class B Shares in the form of additional units. Under the Quebecor plan, holders of DSUs and PSUs are entitled to receive dividends on Quebecor Class B Shares in the form of additional units.

There were no changes in the DSUs and PSUs of the Corporation during the three-month period ended March 31, 2018. As at March 31, 2018 and December 31, 2017, 203,464 DSUs and 270,637 PSUs were outstanding.

There were no changes in the DSUs and PSUs of Quebecor during the three-month period ended March 31, 2018. As at March 31, 2018 and December 31, 2017, 31,300 DSUs and 34,795 PSUs were outstanding.

(Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

9. Stock-based compensation and other stock-based payments (continued)

(d) Deferred stock unit ("DSU") plan for directors

As at March 31, 2018, the total number of DSUs outstanding under this plan was 86,484 (78,012 as at December 31, 2017).

(e) Stock-based compensation expense

During the three-month period ended March 31, 2018, a $784,000 compensation expense was recorded in respect of all stock-based compensation plans ($402,000 in the same period of 2017).

10. Accumulated other comprehensive income

		Cash flow hedge		Defined benefits plans		Total
Balance as at December 31, 2016	$	(123)	$	2,133	$	2,010
Other comprehensive income		33		–		33
Balance as at March 31, 2017		(90)		2,133		2,043
Other comprehensive income		90		842		932
Balance as at December 31, 2017 and March 31, 2018	**$**	**–**	**$**	**2,975**	**$**	**2,975**

11. Segmented information

The Corporation's operations consist of the following segments:

- The **Broadcasting & Production** segment, which includes the operations of TVA Network (including the subsidiary TVA Productions Inc. and the division TVA Nouvelles), specialty services, the marketing of digital products associated with the various televisual brands, commercial production services and distribution of audiovisual products.
- The **Magazines** segment, which through its subsidiaries, notably TVA Publications Inc. and Les Publications Charron & Cie inc., publishes magazines in various fields including the arts, entertainment, television, fashion and decorating, markets digital products associated with the various magazine brands; and provides custom publishing, commercial print production and premedia services.
- The **Film Production & Audiovisual Services** segment, which through its subsidiaries Mels Studios and Postproduction G.P. and Mels Dubbing Inc. provides soundstage, mobile unit and production equipment rental services, as well as dubbing, postproduction, visual effects and distribution services.

(Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

11. Segmented information (continued)

	Three-month periods ended March 31	
	2018	2017
Revenues		
Broadcasting & Production	**$ 107,151**	$ 110,771
Magazines	**18,480**	21,449
Film Production & Audiovisual Services	**11,469**	11,564
Intersegment items	**(3,264)**	(2,660)
	133,836	141,124
Adjusted operating income (loss) [(1)]		
Broadcasting & Production	**2,406**	657
Magazines	**875**	384
Film Production & Audiovisual Services	**(988)**	(1,635)
	2,293	(594)
Depreciation of property, plant and equipment and amortization of intangible assets	**8,756**	8,823
Financial expenses	**587**	635
Operational restructuring costs and others	**104**	832
Loss before tax recovery and share of income of associated corporations	**$ (7,154)**	$ (10,884)

The above-noted intersegment items represent the elimination of revenues from normal course business transactions between the Corporation's business segments.

(1) The Chief Executive Officer uses adjusted operating income (loss) as a measure of financial performance for assessing the performance of each of the Corporation's segments. Adjusted operating income (loss) is defined as net income (loss) before depreciation of property, plant and equipment, amortization of intangible assets, financial expenses, operational restructuring and others, income taxes and share of income of associated corporations. Adjusted operating income (loss) as defined above is not a measure of results that is consistent with IFRS.

12. Event subsequent to balance sheet date

On April 30, 2018, the Corporation signed an agreement to acquire the companies in the Serdy Média Inc. group, which owns and operates the “Évasion” and “Zeste” specialty channels, and the companies in the Serdy Vidéo Inc. group, for a total consideration of $24,000,000. The acquisition is subject to approval by the Canadian Radio-television and Telecommunications Commission (“CRTC”).