May 6, 2019

For immediate release

TVA GROUP REPORTS Q1 2019 RESULTS: NET LOSS ATTRIBUTABLE TO SHAREHOLDERS OF $6.7 MILLION, CONSOLIDATED ADJUSTED EBITDA[1] OF $4.0 MILLION.

Montreal, Canada – TVA Group Inc. ("TVA Group" or the "Corporation") announced today that it recorded operating revenues in the amount of $134.1 million in the first quarter of 2019, a slight year-over-year increase, and a net loss attributable to shareholders in the amount of $6.7 million or $0.16 per share, compared with a net loss attributable to shareholders of $4.9 million or $0.11 per share in the same quarter of 2018.

First quarter operating highlights:

- Consolidated adjusted EBITDA[1] of $3,967,000 representing a favourable variance of $626,000 from the same quarter of 2018.

- $1,971,000 adjusted EBITDA[1] in the Broadcasting & Production segment representing an unfavourable variance of $646,000 due mainly to TVA Network's negative adjusted EBITDA[1], which was partially offset by a 34.0% increase in adjusted EBITDA[1] from the specialty services, essentially reflecting the acquisition of the "Évasion" and "Zeste" channels.

- $1,890,000 adjusted EBITDA[1] in the Magazines segment representing a favourable variance of $668,000 due mainly to savings generated by staff and expense rationalization plans implemented in recent quarters, partially offset by a decrease in operating revenues.

- $106,000 adjusted EBITDA[1] in the Film Production & Audiovisual Services ("MELS") segment, a $604,000 favourable variance due to increased adjusted EBITDA[1] from all of the segment's activities, particularly postproduction, with the exception of soundstage, mobile and production equipment rental, in which the volume of activities decreased.

"During the first quarter of 2019, we began the process of integrating the "Évasion" and "Zeste" channels into our Broadcasting & Production segment, generating an increase in adjusted EBITDA[1] from the specialty channels and enhancing our offer of television content. We are very pleased with the two new channels' preliminary results and we are pressing ahead with integration in order to realize the full potential of the anticipated synergies from the acquisition.

TVA Group's total market share increased by 2.1 points[2] to 38.3%[2] in Q1 2019. The specialty channels increased their market share by 1.8 points[2] partly as a result of the acquisition of "Évasion" and "Zeste", as well as the performance of "TVA Sports", which surged 0.7 points[2]. With a 4.7%[2] market share, the "LCN" channel was the most-watched specialty channel in Québec. We are highly satisfied with the quality and performance of our specialty channels and will continue to fight for royalties that reflect their fair value," commented France Lauzière, President of TVA Group.

[1] See definition of adjusted EBITDA below.

[2] Numeris – Quebec Franco, January 1 to March 31, 2019, Mo-Su, 2a-2a, t2+

"While the Magazines segment's operating revenues continued to decline in the first quarter of 2019, our efforts to reduce operating expenses, increase operational efficiencies and prioritize our strong brands yielded a 15.4% decrease in operating expenses and improved financial results for the segment. According to the latest Vividata survey, we are reaching more than 9.3 million[1] readers across all platforms. Our English-language titles have nearly 6.1 million readers and our French-language titles nearly 3.8 million," added Ms Lauzière.

"The Film Production & Audiovisual Services segment's financial results improved substantially in the first quarter of 2019, boosted by additional volume from our acquisitions of recent quarters. MELS remains a growth driver for the Corporation and our rental and postproduction services are increasingly recognized and in demand.

Lastly, the Corporation is pleased with the acquisition of the Incendo group, a Montreal-based producer and distributor of television programs for international markets. This acquisition will help us step up our international development and expand our footprint, especially in English-language markets," France Lauzière concluded.

Definition

Adjusted EBITDA (previously adjusted operating income (loss))

In its analysis of operating results, the Corporation defines adjusted EBITDA as net income (loss) before depreciation and amortization, financial expenses, operational restructuring costs and others, income taxes and share of income of associated corporations. Adjusted EBITDA 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 and is unaffected by the capital structure or investment activities of the Corporation and its segments. Adjusted EBITDA is also relevant because it is a significant component of the Corporation's annual incentive compensation programs. The Corporation's definition of adjusted EBITDA 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 2019 results on May 7, 2019, at 2:30 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 7 to June 7, 2019 by dialling 1-877-293-8133, conference number 1244935#, 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 2019, Total Canada, 14+, January 1 to December 31, 2018, Readership without duplication

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, 2018 and the "Risk Factors" section in the Corporation's 2018 annual information form.

The forward-looking statements in this news release reflect the Corporation's expectations as of May 6, 2019 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.

The condensed interim consolidated financial Statements, with notes, and the interim Management's Discussion and Analysis for the three-month period ended March 31, 2019, can be consulted on the Corporation's website at www.groupetva.ca.

Source:
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TVA GROUP INC.

Interim consolidated statements of loss and comprehensive loss

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

	Note		2019		2018 (restated, note 2)
			Three-month periods ended March 31		
Revenues	3	**$**	**134,141**	$	133,836
Purchases of goods and services	4		**93,925**		93,299
Employee costs			**36,249**		37,196
Depreciation and amortization			**9,065**		9,486
Financial expenses	5		**957**		801
Operational restructuring costs and others	6		**3,168**		125
Loss before tax recovery and share of income of associated corporations			**(9,223)**		(7,071)
Tax recovery			**(2,392)**		(1,702)
Share of income of associated corporations			**(151)**		(284)
Net loss and comprehensive loss		**$**	**(6,680)**	$	(5,085)
Net (loss) income and comprehensive (loss) income attributable to:					
Shareholders		**$**	**(6,715)**	$	(4,929)
Non-controlling interest			**35**		(156)
Basic and diluted loss per share attributable to shareholders	8 c)	**$**	**(0.16)**	$	(0.11)

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, 2017 as previously reported	$ 207,280	$ 581	$ 51,563	$ 2,975	$ 1,130	$ 263,529
Changes in accounting policies (note 2)	–	–	(1,214)	–	–	(1,214)
Balance as at December 31, 2017 as restated	207,280	581	50,349	2,975	1,130	262,315
Net loss	–	–	(4,929)	–	(156)	(5,085)
Balance as at March 31, 2018	207,280	581	45,420	2,975	974	257,230
Net income (loss)	–	–	13,986	–	(8)	13,978
Other comprehensive income	–	–	–	522	–	522
Balance as at December 31, 2018	207,280	581	59,406	3,497	966	271,730
Net (loss) income	–	–	(6,715)	–	35	(6,680)
Balance as at March 31, 2019	**$ 207,280**	**$ 581**	**$ 52,691**	**$ 3,497**	**$ 1,001**	**$ 265,050**

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, 2019**	December 31, 2018 (restated, note 2)	December 31, 2017 (restated, note 2)
Assets				
Current assets				
Cash		**$ 2,860**	$ 18,112	$ 21,258
Accounts receivable		**143,817**	151,715	144,913
Income taxes		**7,281**	3,325	596
Programs, broadcast rights and inventories		**84,803**	78,483	79,437
Prepaid expenses		**5,884**	4,081	3,736
		244,645	255,716	249,940
Non-current assets				
Broadcast rights		**47,569**	42,987	43,031
Investments		**10,557**	11,242	12,851
Property, plant and equipment		**184,619**	186,583	200,510
Right-of-use assets		**10,241**	9,694	10,922
Intangible assets		**23,057**	13,662	15,120
Goodwill	7	**15,216**	9,102	7,892
Defined benefit plan asset		**–**	–	2,873
Deferred income taxes		**15,262**	14,920	14,453
		306,521	288,190	307,652
Total assets		**$ 551,166**	$ 543,906	$ 557,592

TVA GROUP INC.
Interim consolidated balance sheets (continued)

(unaudited)
(in thousands of Canadian dollars)

	Note	March 31, 2019	December 31, 2018 (restated, note 2)	December 31, 2017 (restated, note 2)
Liabilities and equity				
Current liabilities				
Bank overdraft		**$ 8,875**	$ –	$ –
Accounts payable and accrued liabilities		**90,946**	100,306	104,568
Income taxes		**799**	782	6,314
Broadcast rights payable		**71,162**	70,145	69,244
Provisions		**6,495**	6,356	7,784
Deferred revenues		**14,589**	16,803	18,728
Current portion of lease liabilities		**3,599**	3,480	4,298
Current portion of long-term debt		**63,391**	52,849	9,844
		259,856	250,721	220,780
Non-current liabilities				
Long-term debt		**–**	**–**	52,708
Lease liabilities		**10,111**	10,123	11,226
Other liabilities		**13,513**	10,885	9,772
Deferred income taxes		**2,636**	447	791
		26,260	21,455	74,497
Equity				
Capital stock	8	**207,280**	207,280	207,280
Contributed surplus		**581**	581	581
Retained earnings		**52,691**	59,406	50,349
Accumulated other comprehensive income	10	**3,497**	3,497	2,975
Equity attributable to shareholders		**264,049**	270,764	261,185
Non-controlling interest		**1,001**	966	1,130
		265,050	271,730	262,315
Contingencies	12			
Event subsequent to balance sheet date	13			
Total liabilities and equity		**$ 551,166**	$ 543,906	$ 557,592

See accompanying notes to condensed interim consolidated financial statements.

On May 6, 2019, the Board of Directors approved the condensed interim consolidated financial statements for the three-month periods ended March 31, 2019 and 2018.

TVA GROUP INC.
Interim consolidated statements of cash flows

(unaudited)
(in thousands of Canadian dollars)

	Note	Three-month periods ended March 31 2019	2018 (restated)
Cash flows related to operating activities			
Net loss		**$ (6,680)**	$ (5,085)
Adjustments for:			
Depreciation and amortization		**9,114**	9,535
Share of income of associated corporations		**(151)**	(284)
Deferred income taxes		**(67)**	(555)
Gain on disposal of assets	6	**–**	(1,000)
Others		**(89)**	–
		2,127	2,611
Net change in non-cash operating assets and liabilities		**(6,970)**	(9,820)
Cash flows used in operating activities		**(4,843)**	(7,209)
Cash flows related to investing activities			
Additions to property, plant and equipment		**(3,882)**	(3,714)
Additions to intangible assets		**(1,323)**	(1,467)
Business acquisitions	7	**(23,469)**	(2,705)
Others		**–**	(600)
Cash flows used in investing activities		**(28,674)**	(8,486)
Cash flows related to financing activities			
Change in bank overdraft		**8,875**	–
Net change in revolving credit facility		**13,350**	–
Repayment of long-term debt		**(2,752)**	(2,392)
Repayment of lease liabilities		**(1,103)**	(1,205)
Others		**(105)**	–
Cash flows provided by (used in) financing activities		**18,265**	(3,597)
Net change in cash		**(15,252)**	(19,292)
Cash, beginning of year		**18,112**	21,258
Cash, end of period		**$ 2,860**	$ 1,966
Interest and taxes reflected as operating activities			
Net interest paid		**$ 761**	$ 678
Net income taxes paid		**1,656**	7,047

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 2018 annual consolidated financial statements, which describe the accounting policies used to prepare these financial statements.

Certain comparative figures for the three-month period ended March 31, 2018 have been restated to conform to the presentation adopted for the three-month period ended March 31, 2019.

2. Changes in accounting policies

(i) IFRS 16 – *Leases*

On January 1, 2019, the Corporation adopted on a fully retrospective basis the new rules under IFRS 16, which establishes new principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. The standard provides lessees with a single accounting model for all leases, with certain exemptions. In particular, lessees are generally required to report leases on their balance sheets by recognizing right-of-use assets and related financial liabilities. The assets and liabilities from leases are initially recognized at their discounted value.

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

2. Changes in accounting policies (continued)

(i) IFRS 16 – *Leases (continued)*

The adoption of IFRS 16 has had a material impact on the Corporation's consolidated financial statements since the Corporation has commitments under long-term leases for premises and equipment.

Under IFRS 16, lease charges are generally expensed as an amortization charge of the right-of-use asset, along with an interest charge on the lease-obligation liability. As operating lease charges were previously recognized as purchases of goods and services as they were incurred, the adoption of IFRS 16 has changed the timing of the recognition of these lease charges over the term of each lease. It also has affected the classification of expenses in the statement of income (loss).

Lease-obligation principal payments are shown under financing activities in the consolidated statements of cash flows, whereas these payments were previously shown under operating activities.

The retroactive adoption of IFRS 16 had the following impacts on the consolidated financial statements:

Interim consolidated statements of loss and comprehensive loss

Increase (decrease)		Three-month period ended March 31, 2018
Purchases of goods and services	$	(1,048)
Depreciation and amortization		730
Financial expenses		214
Operational restructuring costs and others		21
Tax recovery		(21)
Net loss and comprehensive loss	$	(62)

Consolidated balance sheets

Increase (decrease)		December 31, 2018		December 31, 2017
Right-of-use assets	$	9,161	$	10,922
Deferred tax assets		170		438
Accounts payable and accrued liabilities		57		63
Provisions		(1,166)		(1,153)
Lease liabilities [1]		13,092		15,524
Other liabilities		(2,183)		(1,860)
Retained earnings	$	(469)	$	(1,214)

[1] The current portion of lease liabilities was $3,480,000 as of December 31, 2018 and $4,298,000 as of December 31, 2017.

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

2. Changes in accounting policies (continued)

(i) IFRS 16 – *Leases (continued)*

A $533,000 finance lease that was presented under property plant and equipment at December 31, 2018 has been reclassified as a right-of-use asset, in accordance with the presentation adopted with the adoption of IFRS 16. The $511,000 liability related to this lease, which was presented under other liabilities, has been reclassified as a lease-obligation liability.

(ii) IFRIC 23 – *Uncertainty Over Income Tax Treatments*

On January 1, 2019, the Corporation also adopted on a fully retrospective basis IFRIC 23, which provides guidance on how to value uncertain income tax positions based on the probability of whether or not the relevant tax authorities will accept the Corporation's tax treatments.

The adoption of IFRIC 23 had no impact on the consolidated financial statements.

3. Revenues

	Three-month periods ended March 31	
	2019	2018
Advertising services	**$ 66,956**	$ 68,466
Royalties	**33,461**	31,571
Rental and postproduction services and other services rendered[1]	**15,314**	14,643
Product sales[2]	**18,410**	19,156
	$ 134,141	$ 133,836

1 Revenues from rental of soundstages, mobile, production equipment and rental space amounted to $5,024,000 during the three-month period ended March 31, 2019 ($5,272,000 during the same period of 2018).

2 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

	Three-month periods ended March 31	
	2019	2018 (restated, note 2)
Rights and production costs	**$ 64,452**	$ 64,206
Printing and distribution	**5,383**	5,529
Services rendered by parent corporation:		
- Commissions on advertising sales	**7,100**	7,147
- Others	**2,238**	2,297
Building costs	**4,579**	4,214
Marketing, advertising and promotion	**4,494**	4,041
Others	**5,679**	5,865
	$ 93,925	$ 93,299

5. Financial expenses

	Three-month periods ended March 31	
	2019	2018 (restated, note 2)
Interest on long-term debt	**$ 690**	$ 586
Amortization of financing costs	**49**	49
Interest on lease liabilities	**169**	214
Interest expense on net defined benefit liability or asset	**113**	50
Foreign exchange loss (gain)	**6**	(5)
Others	**(70)**	(93)
	$ 957	$ 801

(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	
	2019	2018 (restated, note 2)
Operational restructuring costs	**$ 1,400**	$ 1,017
Others	**1,768**	(892)
	$ 3,168	$ 125

Operational restructuring costs

In the three-month periods ended March 31, 2019 and 2018, the Corporation recorded operational restructuring costs in connection with the elimination of positions and the implementation of rationalization plans, particularly in the Magazines segment, as follows:

	Three-month periods ended March 31	
	2019	2018 (restated, note 2)
Broadcasting & Production	**$ 313**	$ 63
Magazines	**1,084**	848
Film Production & Audiovisual Services	**3**	106
	$ 1,400	$ 1,017

Others

During the first quarter of 2019, the Corporation recorded a $1,857,000 charge in respect of business acquisitions, including a $1,794,000 obligation to invest in the broadcasting system, in connection with the acquisition of the companies in the Serdy Média inc. and Serdy Vidéo inc groups (note 7).

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

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

7. Business acquisitions

(a) Serdy

On February 13, 2019, the Corporation acquired the shares of the companies in the Serdy Média Inc. and Serdy Vidéo Inc. groups, including the “Évasion” and “Zeste” channels, for a purchase price of $24,000,000. A $1,900,000 amount payable was also recorded in accounts payable and accrued liabilities as a preliminary adjustment contingent upon a predetermined working capital target agreed to by the parties, less acquired cash in the amount of $531,000.

The acquisition is consistent with the Corporation’s strategic objective of enhancing its array of television content for its viewers and advertisers. The goodwill related to the acquisition arises mainly from the quality of the content and the expected synergies.

The preliminary breakdown of the fair value of assets and liabilities related to the acquisition is as follows:

Non-cash assets acquired		
Current assets	**$**	**15,992**
Property, plant and equipment		**1,982**
Intangible assets		**9,651**
Right-of-use assets		**1,436**
Goodwill[1]		**6,114**
		35,175
Liabilities assumed		
Current liabilities		**5,620**
Lease liabilities		**1,436**
Deferred income taxes		**1,914**
		8,970
Net assets acquired at fair value	**$**	**26,205**
Consideration		
Cash	**$**	**23,469**
Amount payable		**1,900**
Investment in Canal Évasion inc., owned at 8.3%	**$**	**836**

[1] Goodwill is not tax deductible.

As a condition of approval of the transaction, the Canadian Radio-television and Telecommunications Commission required the Corporation to make investments with tangible benefits in the order of $1,794,000, specifically investments in the Canadian broadcasting system to support French-language productions. This obligation was recognized in operational restructuring costs and others as an acquisition cost.

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

7. Business acquisitions (continued)

(a) Serdy (continued)

The Corporation measured the liability related to the acquired lease by discounting future payments related to the contract to the acquisition date. The related right of use was deemed to be equal to the liability.

The purchase price allocation was recorded on a preliminary basis and will be finalized by the end of the financial year, once measurement of the intangible assets arising from the transaction has been completed.

The Corporation's consolidated revenues and its consolidated pro forma net loss would have been $136,210,000 and $6,644,000 respectively had the business acquisition occurred at the beginning of the fiscal year.

(b) Mobilimage inc.

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 were incorporated into the Film Production & Audiovisual Services segment's operations.

Final allocation of the purchase price was completed during the second quarter of 2018. The fair value of assets and liabilities related to the acquisition breaks down as follows:

Assets acquired		
Current assets	**$**	**141**
Property, plant and equipment		**1,980**
Goodwill		**642**
		2,763
Liabilities assumed		
Current liabilities		**58**
Net assets acquired at fair value	**$**	**2,705**
Consideration		
Cash	**$**	**2,705**

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.

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

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, 2019		December 31, 2018
4,320,000 Class A common shares	**$**	**72**	$	72
38,885,535 Class B shares		**207,208**		207,208
	$	**207,280**	$	207,280

(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		
		2019		2018 (restated, note 2)
Net loss attributable to shareholders	**$**	**(6,715)**	$	(4,929)
Weighted average number of basic and diluted shares outstanding		**43,205,535**		43,205,535
Basic and diluted loss per share attributable to shareholders	**$**	**(0.16)**	$	(0.11)

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.

(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

(a) Class B stock option plan for officers

During the three-month period ended March 31, 2019, no stock options were granted. As of March 31, 2019, 295,000 options were outstanding at an average exercise price of $2.72 (340,000 options at December 31, 2018 at an average exercise price of $2.99).

Of the options outstanding as at March 31, 2019, 28,000 Corporation Class B stock options could be exercised at an average price of $6.85.

(b) Quebecor Media stock option plan

	Three-month period ended March 31, 2019	
	Number	Weighted average exercise price
Balance as at December 31, 2018	66,850	$ 64.88
Cancelled	(3,600)	68.20
Exercised	(1,000)	70.56
Balance as at March 31, 2019	**62,250**	**$ 64.60**

Of the options outstanding as at March 31, 2019, 43,400 Quebecor Media stock options could be exercised at an average price of $64.12.

During the three-month period ended March 31, 2019, 1,000 Quebecor Media stock options were exercised for a cash consideration of $43,000 (during the three-month period ended March 31, 2018, 8,500 stock options were exercised for a cash consideration of $303,000).

(c) Quebecor stock option plan

During the three-month period ended March 31, 2019, no stock options were granted to officers of TVA Group under this plan. As of March 31, 2019, 230,000 options were outstanding at an average exercise price of $26.52 (250,000 options at December 31, 2018 at an average exercise price of $26.52).

(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") 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.

During the three-month period ended March 31, 2019, 89,389 PSUs were redeemed under the Corporation's plan for a cash consideration of $125,000. As of March 31, 2019, 190,413 DSUs and 163,845 PSUs were outstanding under the Corporation's plans.

During the three-month period ended March 31, 2019, 16,078 PSUs were redeemed under the Quebecor plan for a cash consideration of $579,000. As of March 31, 2019, 28,822 DSUs and 15,967 PSUs were outstanding under the Quebecor plans.

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

As of March 31, 2019, the total number of DSUs outstanding under this plan was 151,230 (134,130 as of December 31, 2018).

(f) Stock-based compensation expense

During the three-month period ended March 31, 2019, a $515,000 compensation expense was recorded in respect of all stock-based compensation plans ($784,000 in the same period of 2018).

10. Accumulated other comprehensive income

	Defined benefits plans	Total
Balance as at December 31, 2017 and March 31, 2018	$ 2,975	$ 2,975
Other comprehensive income	522	522
Balance as at December 31, 2018 and March 31, 2019	**$ 3,497**	**$ 3,497**

11. Segmented information

Since February 13, 2019, following the acquisition of the companies in the Serdy Média inc. and Serdy Vidéo inc. groups, as described above (note 7), the activities of the “Évasion” and “Zeste” specialty channels have been included in the Broadcasting & Production segment’s results, while their postproduction activities have been included in the Film Production & Audiovisual Services segment’s results.

The Corporation’s operations consist of the following segments:

– The **Broadcasting & Production segment** includes the operations of TVA Network (including the TVA Productions Inc. subsidiary and the TVA Nouvelles division), specialty services, the marketing of digital products associated with the various televisual brands, commercial production services and distribution of audiovisual products;

– The **Magazines segment** 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 services;

– The **Film Production & Audiovisual Services segment** through its subsidiaries Mels Studios and Postproduction G.P. and Mels Dubbing Inc., provides soundstage, mobile 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	
	2019	2018
		(restated, note 2)
Revenues		
Broadcasting & Production	**$ 107,915**	$ 107,151
Magazines	**16,483**	18,480
Film Production & Audiovisual Services	**12,953**	11,469
Intersegment items	**(3,210)**	(3,264)
	134,141	133,836
Adjusted EBITDA[1] (negative adjusted EBITDA)		
Broadcasting & Production	**1,971**	2,617
Magazines	**1,890**	1,222
Film Production & Audiovisual Services	**106**	(498)
	3,967	3,341
Depreciation and amortization	**9,065**	9,486
Financial expenses	**957**	801
Operational restructuring costs and others	**3,168**	125
Loss before tax recovery and share of income of associated corporations	**$ (9,223)**	$ (7,071)

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 EBITDA as a measure of financial performance for assessing the performance of each of the Corporation's segments. Adjusted EBITDA is defined as net income (loss) before depreciation and amortization, financial expenses, operational restructuring costs and others, income taxes and share of income of associated corporations. Adjusted EBITDA as defined above is not a measure of results that is consistent with IFRS.

12. Contingencies

Lawsuits were brought by and against the Corporation, and against Quebecor and some of its subsidiaries, in connection with business disputes with a broadcasting distribution undertaking. At this stage in the proceedings, management of the Corporation does not expect their outcome to have a material effect on Corporation's results or financial position.

13. Event subsequent to balance sheet date

On April 1, 2019, the Corporation acquired the companies in the Incendo Media Inc. group, a Montreal-based producer and distributor of television programs for international markets, for a cash consideration of $12,000,000 and an amount payable of $7,500,000. The purchase price is also subject to adjustments contingent upon achievement of certain targets. The acquired assets consist mainly of productions in progress, intangible assets and goodwill. Preliminary allocation of the purchase price will be performed during the next quarter, when the necessary information has been obtained for valuation of the other identifiable acquired assets.