tva.canoe.ca

A Quebecor Media Company

1

FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2012

MESSAGE TO THE SHAREHOLDERS

Montreal, May 8, 2012

TVA Group Inc. (the "Corporation") recorded a net loss attributable to shareholders in the amount of $39.3 million, or $1.66 per share, for the first quarter of 2012, compared with net income attributable to shareholders of $0.3 million, or $0.01 per share, in the same quarter of 2011.

Following the Quebec government's April 2012 adoption of new fees for 2010, 2011 and 2012 with respect to business contributions for costs related to waste recovery services provided by Quebec municipalities, the Corporation was forced to review its business plan for the Publishing segment due to the material adverse impact of these fees on its future operating costs. As a result, the Corporation determined that the recoverable amount of goodwill related to the Publishing segment was lower than its carrying amount and an impairment charge of $32.2 million was recorded in the first quarter of 2012.

<u>First quarter operating highlights</u>:

- An operating loss[1] in the Television segment of $3,726,000, a negative variance of $6,592,000, mainly due to the following:
    - ⇒ operating loss of the new "TVA Sports" service;
    - ⇒ a decrease in the operating income from TVA Network, due to an increase in operating expenses; and
    - ⇒ the higher operating loss of SUN News, given that the service was in its pre-operating phase in the first quarter of 2011.
- An operating loss in the Publishing segment of $2,028,000, a negative variance of $3,722,000, primarily due to the impact of the liability recorded in relation to the fees set for 2010, 2011 and 2012 for business contributions to the cost of waste recovery services (Bill 88).

Our financial results in the Television segment for the first quarter were affected by the investment in our new specialty channels and in TVA Network's programming schedule. However, operating income for the segment grew over 12% in the first quarter of 2012, both at TVA Network, where advertising revenues increased by nearly 10%, and at the specialty services, which grew its subscription revenue by 43% and its advertising revenue by 24%. The growth in the specialty services is largely attributable to our new services, "TVA Sports" and "Mlle", but also to existing services "addik ^{TV}", "Casa", "Yoopa" and "Prise 2", which confirms our investment and diversification strategy in the segment.

Results in the Publishing segment were down $3,375,000, with the adoption of the new fees for 2010, 2011 and 2012 with respect to business contributions for costs related to waste recovery services. In our view, the costs put forward, how they are allocated and the new fees for magazines are based notably on an incomplete process and on unreasonable, arbitrary and false premises and conclusions, which makes them legally invalid. Further, they seriously compromise the financial viability and stability of an industry that makes a positive contribution to the cultural sector of our society. We are currently examining the legal remedies available to ensure that our rights are respected.

Cash flows provided by operating activities were $3.1 million for the quarter, compared with $10.2 million in the same quarter of 2011. The $7.1 million decline was essentially due to the decrease in the Corporation's operating income.

---

[1] Refer to operating income (loss) definition on the next page.

The unaudited consolidated financial statements for the three-month period ending March 31, 2012, with notes and the interim Management's Discussion and Analysis, can be consulted on the Corporation's website at http://groupetva.ca.

Definition

Operating income (loss)

In its analysis of operating results, the Corporation defines operating income (loss) as net income (net loss) before amortization of property, plant and equipment and intangible assets, financial expenses, restructuring costs of operations, impairment of assets and other costs, income taxes, share of income of associated corporation and net loss attributable to non-controlling interest. Operating income (loss) as defined above is not a measure of results that is consistent with 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 is not intended to represent funds available for debt service, dividend payment, reinvestment or other discretionary uses, and should not be considered in isolation or as a substitute for other performance measures prepared in accordance with IFRS. Operating income (loss) is used by the Corporation because management believes it is a meaningful measure of performance.

This measure is used by management and the Board of Directors to evaluate the consolidated results of the Corporation and the results of its segments. Measurements such as operating income (loss) are also commonly used by the investment community to analyze and compare the performance of companies in the industries in which the Corporation is active. The Corporation's definition of operating income (loss) may not be identical to similarly titled measures reported by other companies.

Groupe TVA

TVA Group Inc., a subsidiary of Quebecor Media Inc., is an integrated communications company involved in the creation, production, broadcast and distribution of audiovisual products, and in magazine publishing. TVA Group Inc. is the largest broadcaster of French-language entertainment, information and public affairs programming and publisher of French-language magazines in North America, and one of the largest private-sector producers of French-language content in North America. The Corporation also operates SUN News, a Canada-wide English-language news and opinion specialty service. The Corporation's Class B shares are listed on the Toronto Stock Exchange under the ticker symbol TVA.B.

Pierre Dion
President and Chief Executive Officer

TVA GROUP INC.
Consolidated Statements of Income

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

	Note	Three-month periods ended March 31 2012	2011
Revenues	2	**$ 117,812**	$ 107,097
Operating, selling and administrative expenses	3	**123,566**	102,537
Amortization of property, plant and equipment and intangible assets		**5,217**	4,037
Financial expenses	4	**1,519**	1,466
Restructuring costs of operations, impairment of assets and other costs	5	**117**	–
Impairment of goodwill	6	**32,200**	–
Loss before income taxes and share of income of associated corporation		**(44,807)**	(943)
(Recovery) income taxes		**(3,103)**	171
After-tax share of income of associated corporation		**(186)**	(270)
Net loss		**$ (41,518)**	$ (844)
Net (loss) income attributable to:			
Shareholders		**$ (39,341)**	$ 332
Non-controlling interest		**(2,177)**	(1,176)
Basic and diluted earnings per share attributable to shareholders	8 (d)	**$ (1.66)**	$ 0.01

See accompanying notes to consolidated financial statements.

TVA GROUP INC.
Consolidated Statements of Comprehensive Income

(unaudited)
(in thousands of dollars)

	Three-month periods ended March 31	
	2012	2011
Net loss	**$ (41,518)**	$ (844)
Other comprehensive loss:		
Defined benefit plans:		
Net change in asset limit or in minimum funding liability	**–**	(141)
Deferred income taxes	**–**	38
	–	(103)
Comprehensive loss	**$ (41,518)**	(947)
Comprehensive (loss) income attributable to:		
Shareholders	**$ (39,341)**	$ 229
Non-controlling interest	**(2,177)**	(1,176)

See accompanying notes to consolidated financial statements.

TVA GROUP INC.
Consolidated Statements of Equity

(unaudited)
(in thousands of dollars)

	Equity attributable to shareholders		Equity attributable to non-controlling interest	Total equity
	Capital stock (note 8)	Retained earnings		
Balance as of December 31, 2010	$ 98,647	$ 170,784	$ 4,511	$ 273,942
Net income (loss)	–	332	(1,176)	(844)
Other comprehensive loss	–	(103)	–	(103)
Dividends	–	(1,188)	–	(1,188)
Contributions related to non-controlling interest (note 10)	–	–	2,940	2,940
Balance as of March 31, 2011	98,647	169,825	6,275	274,747
Net income (loss)	–	25,271	(7,991)	17,280
Other comprehensive loss	–	(16,914)	–	(16,914)
Dividends	–	(1,189)	–	(1,189)
Contributions related to non-controlling interest (note 10)	–	–	7,105	7,105
Balance as of December 31, 2011	98,647	176,993	5,389	281,029
Net loss	–	(39,341)	(2,177)	(41,518)
Contributions related to non-controlling interest (note 10)	–	–	1,764	1,764
Balance as of March 31, 2012	**$ 98,647**	**$ 137,652**	**$ 4,976**	**$ 241,275**

See accompanying notes to consolidated financial statements.

TVA GROUP INC.
Consolidated Balance Sheets

(unaudited)
(in thousands of dollars)

	Note		March 31, 2012		December 31, 2011
Assets					
Current assets					
Cash		$	**936**	$	1,756
Accounts receivable			**115,902**		117,644
Current income tax assets			**9,186**		4,014
Programs, broadcast and distribution rights and inventories			**58,946**		61,954
Prepaid expenses			**4,329**		2,690
Assets held for sale	12		**10,207**		8,370
			199,506		196,428
Non-current assets					
Broadcast and distribution rights			**38,097**		35,488
Investments			**13,051**		12,865
Property, plant and equipment			**101,148**		102,007
Licences and other intangible assets			**114,120**		114,539
Goodwill	6		**39,781**		71,981
Deferred income taxes			**570**		545
			306,767		337,425
Total assets		**$**	**506,273**	$	533,853
Liabilities and equity					
Current liabilities					
Bank overdraft		**$**	**282**	$	3,980
Accounts payable and accrued liabilities			**92,006**		82,086
Current income tax liabilities			**50**		503
Broadcast and distribution rights payable			**18,031**		15,778
Provisions			**1,195**		1,533
Deferred revenues			**5,708**		6,535
Current portion of long-term debt	7		**–**		17,756
Liabilities held for sale	12		**2,321**		1,538
			119,593		129,709
Non-current liabilities					
Long-term debt	7		**97,151**		74,635
Other liabilities			**39,201**		39,696
Deferred income taxes			**9,053**		8,784
			145,405		123,115
Equity					
Capital stock	8		**98,647**		98,647
Retained earnings			**137,652**		176,993
Equity attributable to shareholders			**236,299**		275,640
Non-controlling interest			**4,976**		5,389
			241,275		281,029
Total liabilities and equity		**$**	**506,273**	$	533,853

See accompanying notes to consolidated financial statements.

On May 8, 2012, the Board of Directors approved the consolidated financial statements for the three-month periods ended March 31, 2012 and 2011.

TVA GROUP INC.
Consolidated Statements of Cash Flows

(unaudited)
(in thousands of dollars)

	Note	2012	2011
		Three-month periods ended March 31	
Cash flows related to operating activities			
Net loss		**$ (41,518)**	$ (844)
Non-cash items:			
Amortization		**5,318**	4,127
Impairment of goodwill	6	**32,200**	–
After-tax share of income of associated corporation		**(186)**	(270)
Deferred income taxes		**235**	677
Cash flows (used in) provided by current operations		**(3,951)**	3,690
Net change in non-cash items		**7,006**	6,552
Cash flows provided by operating activities		**3,055**	10,242
Cash flows related to investing activities			
Additions to property, plant and equipment		**(5,274)**	(8,458)
Additions to intangible assets		**(566)**	(807)
Net change in investments		**–**	10
Cash flows used in investing activities		**(5,840)**	(9,255)
Cash flows related to financing activities			
Net change in bank overdraft		**(3,698)**	(2,507)
Net change in revolving term loan		**5,003**	(304)
Financing costs	7	**(344)**	–
Non-controlling interest	10	**1,764**	2,940
Cash flows provided by financing activities		**2,725**	129
Net change in cash		**(60)**	1,116
Cash at beginning of period		**4,638**	5,605
Cash at end of period		**$ 4,578**	$ 6,721
Cash consists of the following:			
Cash		**$ 936**	$ 6,721
Cash from operations held for sale	12	**3,642**	–
		$ 4,578	$ 6,721
Interest and income taxes reflected as operating activities			
Interest paid		**$ 382**	$ 333
Income taxes paid (received)		**2,287**	(1,293)

See accompanying notes to consolidated financial statements.

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

TVA Group Inc. ("TVA Group" or the "Corporation") was incorporated under Part 1A of the *Companies Act* (Quebec) by certificate and articles of continuance dated December 17, 1981. The Corporation has been governed by the *Quebec Business Corporations Act* since it came into effect on February 14, 2011. TVA Group is an integrated communications company with two operating segments: Television and Publishing (note 11). The Corporation is a subsidiary of Quebecor Media Inc. ("Quebecor Media" or the "parent corporation") and the ultimate parent corporation is Quebecor Inc. ("Quebecor"). The Corporation's head office is located at 1600 De Maisonneuve Blvd. East, Montreal, Quebec, Canada.

The Corporation's businesses experience significant seasonality due, among other factors, to seasonal advertising patterns and influences on people's viewing, reading and listening habits. Because the Corporation depends on the sale of advertising for a significant portion of its revenue, 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. Furthermore, the Corporation is investing in the launch of new specialty services in the Television segment. During the period immediately following the launch of a new specialty service, subscription revenues are always relatively modest, while initial operating expenses may prove more substantial. 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 the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. In particular, these consolidated financial statements were prepared in accordance with IAS 34, *Interim Financial Reporting*, and accordingly, they are condensed consolidated financial statements because they do not include all disclosures required under IFRS for annual consolidated financial statements. These condensed consolidated financial statements should be read in conjunction with the Corporation's 2011 annual consolidated financial statements and the notes thereto. The same accounting policies described in the annual consolidated financial statements have been used herein.

Comparative figures for the three-month period ended March 31, 2011, have been reclassified to conform to the presentation adopted for the three-month period ended March 31, 2012.

2. Revenues

The breakdown of revenues between services rendered and product sales is as follows:

	Three-month periods ended March 31	
	2012	2011
Services rendered	**$ 91,571**	$ 81,591
Product sales	**26,241**	25,506
	$ 117,812	$ 107,097

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

3. Operating, selling and administrative expenses

The main components are as follows:

	Three-month periods ended March 31	
	2012	2011
Employee and sales commission costs	**$ 43,252**	$ 36,239
Royalties, rights and production costs	**51,352**	42,311
Printing and distribution	**7,919**	5,325
Marketing, advertising and promotion	**5,315**	4,609
Transmission and microwave expenses	**1,962**	1,145
Other	**13,766**	12,908
	$ 123,566	$ 102,537

4. Financial expenses

	Three-month periods ended March 31	
	2012	2011
Interest on long-term debt	**$ 1,416**	$ 1,367
Amortization of financing costs	**101**	90
Other	**2**	9
	$ 1,519	$ 1,466

5. Restructuring costs of operations, impairment of assets and other costs

In the three-month period ended March 31, 2012, the Corporation recorded $117,000 in restructuring costs of operations following the elimination of several positions in the Publishing segment.

6. Impairment of goodwill

As a result of new fees adopted in 2012 for 2010, 2011 and 2012 with respect to business contributions for costs related to waste recovery services provided by Quebec municipalities, the operating costs of the Corporation's Publishing segment will be adversely affected. Accordingly, the Corporation reviewed its business plan for these activities and performed an impairment test on the Publishing segment's cash-generating unit ("CGU"). The Corporation concluded that the recoverable amount based on value in use was less than the carrying amount of the Publishing CGU and a goodwill impairment charge of $32,200,000 was recorded during the first quarter of 2012. The Corporation used a pre-tax discount rate of 16.26% (15.89% as of April 1, 2011) and a perpetual growth rate of 1.00% (1.00% as of April 1, 2011) to calculate the recoverable amount.

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

7. Long-term debt

On February 24, 2012, the Corporation completed the renewal of its revolving term loan of $100,000,000 for a five-year term with similar conditions, except for the borrowing cost, which is more favourable for the Corporation. The loan matures on February 23, 2017 and is repayable in full on that date. Given the maturity of the revolving term loan as of December 31, 2011, the Corporation had presented the loan as a current liability.

The costs associated with the renewal of the revolving term loan in the first quarter of 2012 totalled $344,000 and were recorded as financing costs in reduction of long-term debt.

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, 2012	December 31, 2011
4 320 000 class A common shares	**$ 72**	$ 72
19 450 906 class B shares	**98,575**	98,575
	$ 98,647	$ 98,647

(c) Share redemption

Normal course issuer bid

On March 17, 2011, the Corporation filed a normal course issuer bid to redeem a maximum of approximately 5% of the number of Class B shares of the Corporation at the offer date for cancellation between March 21, 2011 and March 20, 2012. The Corporation redeems its Class B shares at the market price at the time of redemption, plus brokerage fees. No Class B shares were repurchased in the first quarters of 2012 and 2011.

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

8. Capital stock (continued)

(d) Earnings per share attributable to shareholders

The following table sets forth the computation of basic and diluted earnings per share attributable to shareholders:

	Three-month periods ended March 31	
	2012	2011
Net (loss) income attributable to shareholders	**$ (39,341)**	$ 332
Weighted average number of basic and diluted shares outstanding	**23,770,906**	23,770,906
Basic and diluted earnings per share attributable to shareholders (in dollars)	**$ (1.66)**	$ 0.01

The diluted earnings per share calculation does not take into consideration the potential dilutive effect of stock options of the Corporation since their impact is anti-dilutive. During the three-month period ended March 31, 2012, 819,421 stock options of the Corporation's plan (833,610 in 2011) were excluded from the diluted earnings per share calculation.

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

	Three-month periods ended March 31, 2012			
	Class B stock options		Quebecor Media stock options	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Balance as of December 31, 2011	833,610	$ 16.35	393,252	$ 46.66
Cancelled	(14,189)	16.84	–	–
Balance as of March 31, 2012	**819,421**	**$ 16.34**	**393,252**	**$ 46.66**

Of the number of options outstanding as of March 31, 2012, 706,077 Class B stock options at an average exercise price of $16.58 and 177,649 Quebecor Media stock options at an average price of $46.29 could be exercised.

During the three-month period ended March 31, 2012, none of the Quebecor Media stock options were exercised (15,230 stock options were exercised for a cash consideration of $108,000 in 2011).

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

During the three-month period ended March 31, 2012, the Corporation recorded a compensation expense of $5,000 ($85,000 in 2011) in relation to the Corporation's Class B stock options and a compensation expense of $596,000 ($375,000 in 2011) in relation to the Quebecor Media stock options.

10. Related party transactions

During the three-month period ended March 31, 2012, the partners in SUN News made a total capital contribution of $3,600,000 ($6,000,000 in the same period of 2011), including $1,836,000 from the Corporation ($3,060,000 in 2011) and $1,764,000 from Sun Media Corporation ($2,940,000 in 2011).

11. Segmented information

The Corporation's operations consist of the following segments:

- The Television segment includes the operations of TVA Network (including the subsidiaries and divisions of TVA Productions Inc., TVA Ventes et Marketing Inc., TVA Accès, TVA Création, TVA Nouvelles, TVA Interactif), the specialty services, the national English-language specialty service SUN News Network, the marketing of the digital products of the different televisual brands, the home and online shopping services of the TVA Boutiques division, and the distribution of audiovisual products by the TVA Films division.
- The Publishing segment includes the operations of TVA Publications Inc., a producer of content specializing in the publication of French-language magazines in various fields such as the arts, entertainment, television, fashion and decoration; marketing of the digital products of the different brands related to the magazines and the operations of the TVA Studio division specializing in customized publishing, commercial print production and premedia services.

The intersegment items represent the elimination of normal course business transactions between the Corporation's business segments regarding revenues and expenses.

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

11. Segmented information (continued)

	Three-month periods ended March 31	
	2012	2011
Revenues		
Television	**$ 102,820**	$ 91,273
Publishing	**15,906**	16,869
Intersegment items	**(914)**	(1,045)
	117,812	107,097
Operating, selling and administrative expenses		
Television	**106,546**	88,407
Publishing	**17,934**	15,175
Intersegment items	**(914)**	(1,045)
	123,566	102,537
(Loss) income before amortization, financial expenses, restructuring costs of operations, impairment of assets and other costs, impairment of goodwill, income taxes and share of income of associated corporation		
Television	**(3,726)**	2,866
Publishing	**(2,028)**	1,694
Intersegment items	**–**	–
	$ (5,754)	$ 4,560

	March 31, 2012	December 31, 2011
Total assets		
Television	**$ 454,281**	$ 449,943
Publishing	**51,992**	83,910
	$ 506,273	$ 533,853
Goodwill		
Television	**$ 2,539**	$ 2,539
Publishing	**37,242**	69,442
	$ 39,781	$ 71,981

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

12. Assets held for sale

On December 22, 2011, the Corporation announced an agreement under which the Corporation will sell its 51% interest in The Cave and its 50% interest in Mystery to Shaw Media Global Inc., the other partner of these joint ventures. The transaction is valued at $17,500,000. The application to transfer the licences was approved by the Canadian Radio-television and Telecommunications Commission ("CRTC") on April 25, 2012. The transaction should be finalized in the second quarter of 2012.

The following table shows the breakdown of assets and liabilities held for sale as of March 31, 2012 and December 31, 2011:

	March 31, 2012	December 31, 2011
Current assets		
Cash	**$ 3,642**	$ 2,882
Accounts receivable	**2,143**	2,274
Broadcast rights	**4,422**	3,214
	10,207	8,370
Current liabilities		
Accounts payable and accrued liabilities	**1,940**	1,099
Broadcast rights payable	**381**	439
	2,321	1,538
Net assets	**$ 7,886**	$ 6,832

CORPORATE PROFILE

TVA Group Inc. ("TVA Group" or the "Corporation"), a subsidiary of Quebecor Media Inc. ("QMI"), is a communications company with operations in two business segments: Television and Publishing. In the Television segment, the Corporation creates, produces and broadcasts entertainment, information and public affairs programming and distributes audiovisual products and films, in addition to its commercial production and home shopping operations. It operates North America's largest private French-language television network, as well as 11 specialty services. TVA Group also holds a minority interest in the Évasion specialty service. In the Publishing segment, TVA produces over 75 magazines, making it Quebec's largest publisher of French-language magazines. It also offers custom publishing and commercial printed production services that promote customers' trademarks through print media. The Corporation's Class B shares are listed on the Toronto Stock Exchange under the ticker symbol TVA.B.

This Management's Discussion and Analysis covers the main activities of the first quarter of 2012 and the major changes from the previous financial year. The Corporation's condensed consolidated financial statements for the three-month periods ended March 31, 2012 and 2011 have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All the amounts presented in this Management's Discussion and Analysis are in Canadian dollars. This report should be read in conjunction with the information in the Consolidated Financial Statements and the annual Management Discussion and Analysis for the financial year ended December 31, 2011.

BUSINESS SEGMENTS

The Corporation's business segments are as follows:

- The Television segment includes the operations of TVA Network (including the subsidiaries and divisions of TVA Productions Inc., TVA Ventes et Marketing Inc., TVA Accès, TVA Création, TVA Nouvelles, TVA Interactif), the specialty services, the national English-language specialty service SUN News Network, the marketing of the digital products of the different televisual brands, the home and online shopping services of the TVA Boutiques division, and the distribution of audiovisual products by the TVA Films division.

- The Publishing segment includes the operations of TVA Publications Inc., a producer of content specializing in the publication of French-language magazines in various fields such as the arts, entertainment, television, fashion and decoration; marketing of the digital products of the different brands related to the magazines and the operations of the TVA Studio division specializing in customized publishing, commercial print productions and premedia services.

HIGHLIGHTS SINCE END OF 2011

- On April 26, 2012, the Canadian Radio-television and Telecommunications Commission (“CRTC”) renewed the broadcasting licences of TVA Network and of the following specialty services: “addik ^{TV}”, “Argent”, “Casa”, “prise 2” and “LCN”.

- On April 25, 2012, the CRTC approved the application to transfer the licences of “The Cave” and “Mystery TV” to Shaw Media Global Inc. Therefore, the sale of these interests should be finalized in the second quarter of 2012.

- On April 11, 2012, new fees for 2010, 2011 and 2012 with respect to business contributions for costs related to waste recovery services provided by Quebec municipalities (Bill 88) were published in the “Gazette Officielle du Québec”, entering into force the same day. Given that these fees adversely affect actual and future operating expenses of the Corporation’s Publishing segment, the Corporation recorded an impairment of its goodwill of $32,200,000.

- From April 2 to 8, 2012, the “TVA Sports” service carried the 76th edition of the prestigious Masters Golf Tournament as the official French-language broadcaster.

- From January 22 to March 25, 2012, TVA Network carried the fifth edition of the successful variety show “Star Académie” attracting an audience of over 2.2 million to the Sunday-evening galas.

- On March 1, 2012, the Corporation announced that it had reached a significant agreement with Rogers Communications to offer the Sun News and “TVA Sports” services as well as the TVA Network content to its customers on Rogers Communications’ video-on-demand, mobile and Web platforms.

- On February 24, 2012, the Corporation completed the renewal of its $100,000,000 revolving term loan for a five-year term on similar conditions, except that credit costs were renegotiated advantageously by the Corporation.

NON-IFRS FINANCIAL MEASURES

To evaluate its financial performance, the Corporation uses certain measures that are not calculated in accordance with or recognized under IFRS. The Corporation uses these non-IFRS financial measures because it believes that they are meaningful measures of its performance. The Corporation’s method of calculating non-IFRS financial measures may differ from the methods used by other companies and, as a result, the financial measures presented in this Management’s Discussion and Analysis may not be comparable to other measures reported by other companies with similar standards.

Operating income (loss)

In its analysis of operating results, the Corporation defines operating income (loss) as net income (loss) attributable to shareholders before amortization of property, plant and equipment and intangible assets, financial expenses, restructuring costs of operations, impairment of assets and other costs, income taxes, share of income of associated corporation and net loss attributable to non-controlling interest. Operating income (loss) as defined above is not a measure of results that is consistent with 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 is not intended to represent funds available for debt service, dividend payment, reinvestment or other discretionary uses, and should not be considered in isolation or as a substitute for other performance measures prepared in accordance with IFRS. Operating income (loss) is used by the Corporation because management believes it is a meaningful measure of performance. This measure is used by management and the Board of Directors to evaluate the Corporation’s consolidated results and the results of its segments. Measurements such as operating income (loss) are also commonly used by the investment community to analyze and compare the performance of companies in the industries in which the Corporation is active. The Corporation’s definition of operating income (loss) may not be identical to similarly titled measures reported by other companies.

Table 1 below presents a reconciliation of operating income (loss) to net income (loss) attributable to shareholders as disclosed in the Corporation's consolidated financial statements.

Table 1
Reconciliation of the operating income (loss) measure used in this report to the net income (loss) attributable to shareholders measure used in the consolidated financial statements
(in thousands of dollars)

	Three months ended March 31	
	2012	2011
Operating (loss) income:		
Television	**$ (3,726)**	$ 2,866
Publishing	**(2,028)**	1,694
	(5,754)	4,560
Amortization of property, plant and equipment and intangible assets	**5,217**	4,037
Financial expenses	**1,519**	1,466
Restructuring costs of operations, impairment of assets and other costs	**117**	-
Impairment of goodwill	**32,200**	-
(Recovery) income taxes	**(3,103)**	171
After-tax share of income of associated corporation	**(186)**	(270)
Non-controlling interest	**(2,177)**	(1,176)
Net (loss) income attributable to shareholders	**$ (39,341)**	$ 332

2012/2011 FIRST QUARTER COMPARISON

Analysis of consolidated results of TVA Group

Operating revenues: $117,812,000, an increase of $10,715,000 (10.0%).

- $11,547,000 (12.7%) increase in the Television segment (Table 2), due mainly to revenue increases of 35.3% at the specialty services and 6.1% at TVA Network.
- $963,000 (-5.7%) decrease in the Publishing segment (Table 2), primarily due to a 16.7% decrease in advertising revenues, particularly in the women's and decoration magazine categories.

Table 2
Operating revenues
(in thousands of dollars)

	Three months ended March 31	
	2012	2011
Television	**$ 102,820**	$ 91,273
Publishing	**15,906**	16,869
Intersegment items	**(914)**	(1,045)
	$ 117,812	$ 107,097

Operating loss: $5,754,000, a negative variance of $10,314,000 compared with operating income for the same quarter of 2011.

- $6,592,000 decrease in the Television segment (Table 3), mainly because of the following:
  - operating loss of the new "TVA Sports" service;
  - $1,596,000 decrease in TVA Network's operating income; and
  - higher operating loss at SUN News due to the fact that the service was in its pre-operating phase in the first quarter of 2011.
- Negative variance of $3,722,000 in the Publishing segment (Table 3), mainly attributable to the impact of the charge recorded as a result of the adoption of new fees for 2010, 2011 and 2012 with respect to business contributions for costs related to waste recovery services provided by Quebec municipalities.

Table 3
Operating income
(in thousands of dollars)

	Three months ended March 31	
	2012	2011
Television	**$ (3,726)**	$ 2,866
Publishing	**(2,028)**	1,694
	$ (5,754)	$ 4,560

Net (loss) income attributable to shareholders: ($39,341,000) (-$1.66 per diluted share) for the first quarter of 2012, compared with $332,000 ($0.01 per diluted share) in the same period of 2011.

- The negative variance of $39,673,000 (-$1.67 per diluted share) was mainly due to:
  - $32,200,000 charge for impairment of goodwill in the Publishing segment;
  - $10,314,000 decrease in operating income;
  - $1,180,000 increase in amortization expense;

  Partially offset by:
  - $3,274,000 decrease in income tax;
  - $1,001,000 increase in non-controlling interest.
- The calculation of earnings per share was based on a weighted average of 23,770,906 outstanding diluted shares for the quarters ended March 31, 2012 and 2011.

Amortization of property, plant and equipment and intangible assets: $5,217,000, an increase of $1,180,000.

- The increase mainly reflects increased acquisitions of property, plant and equipment and intangible assets in connection with the Corporation's capital expenditures plan for transition to high definition ("HD") broadcasting and production, and the installation of application software in its Television segment.

Financial expenses: $1,519,000, a $53,000 increase.

- The increase is mainly due to a higher average long-term debt balance in the first quarter of 2012 than in the same quarter of 2011.

Restructuring costs of operations, impairment of assets and other costs: $117,000 in the first quarter of 2012, compared with nil in the same quarter of 2011.

- The $117,000 negative variance was due to recognition of a provision for restructuring costs of operations in connection with the elimination of several positions in the Publishing segment.
- The balance of the provision for restructuring costs of operations was $336,000 as of March 31, 2012 ($756,000 as of December 31, 2011). In the first quarter of 2012, costs of $537,000 were charged against the provision.

Income tax (recovery) expense: ($3,103,000) (effective tax rate of 6.9%) during the first quarter of 2012, compared with $171,000 (effective tax rate of -18.1%) for the same period of 2011.

- The tax rate was lower than the Corporation's statutory tax rate of 26.9% mainly because of the non-deductible impairment of goodwill and Sun Media Corporation's share in the tax savings generated by the operating losses of SUN News.

After-tax share of income of associated corporation: $186,000 in the first quarter of 2012, an $84,000 decrease, reflecting weaker operating results of a television company compared with the same period of 2011.

Non-controlling interest: $2,177,000 in the first quarter of 2012, compared with $1,176,000 in the same quarter of 2011.

- Non-controlling interest represents Sun Media Corporation's share in the pre-tax loss of SUN News General Partnership.

SEGMENTED ANALYSIS

Television

2012/2011 first quarter comparison

Operating revenues: $102,820,000, an increase of $11,547,000 (12.7%), mainly due to the following factors:

- 9.6% increase in TVA Network's advertising revenues;
- 43.2% increase in subscription revenues from the specialty services:
    - o the new "TVA Sports" and "Mlle" services account for 68.2% and 12.4% of the increase respectively;
    - o 75.7% growth at the "Casa" service;
    - o the "Yoopa", "addik TV" and "prise 2" services posted combined growth of 19.8% while the "Argent" service declined 38%.
- 24.1% increase in advertising revenues from the specialty services:
    - o the new "TVA Sports" and "Mlle" services account for 48.7% and 12.9% of the increase respectively;
    - o 116.4% growth at the "Casa" service; and
    - o 105.0% growth at the "addik TV" service.

- 41.9% increase in operating revenues at the TVA Accès division, associated notably with its commercial production activities.

French-language market ratings

For the period of January 2 to April 1, 2012, TVA Network's market share grew 0.6 points compared with the same period of 2011, while the market shares of the V Network increased by 0.5 and Société Radio-Canada ("SRC") dropped by 2.1. TVA Network captured 25.5 shares on average, with weeks varying from 27.1 to 28.1 shares during the last five weeks of the Star Académie 2012 series. In addition, our specialty services "addik TV" and "prise 2" grew their market shares with increases of 0.5 and 0.3 points respectively. "LCN" had 3.6 shares, one point higher than its main rival, "RDI".

The TVA Group's French-language specialty services had a combined market share of 7.7 shares in the first quarter of 2012, compared with 6.7 shares in the same period of 2011, an increase of 1.0 share or 14.9%. TVA Group's total market shares were 33.2 in the first quarter of 2012, compared with 31.6 in the same period of 2011, despite strong competition in the television market. TVA Network carried 21 of the 30 most-watched programs in Quebec during the first quarter, including the top four shows, *La Variété de Star Académie 2012*, *Céline : 3 gars et un nouveau show*, *Le tricheur* and *La Quotidienne – Star Académie*, which each drew more than 1.4 million viewers.

Table 4
French-language market ratings

Winter 2012 vs Winter 2011
Market shares (%)

	2012	2011	Var.%	Difference
French-language conventional broadcasters				
TVA	**25.5**	24.9	+2.4%	+0.6
SRC	**12.3**	14.4	-14.6%	-2.1
V	**8.3**	7.8	+6.4%	+0.5
Total	**46.1**	47.1	-2.1%	- 1.0
French-language specialty				
TVA	**7.7**	6.7	+14.9%	+1.0
Other	**36.2**	35.7	+1.4%	+0.5
Total	**43.9**	42.4	+3.5%	+1.5
Total English-language and others	**9.0**	10.5	-14.3%	-1.5
TVA Group	**33.2**	31.6	+5.1%	+1.6

Source: BBM Ratings. French Quebec, January 2 to April 1, 2012, Mon. – Sun. 2:00 – 2:00, t2+.

Operating expenses: $106,546,000, an increase of $18,139,000 (20.5%).

- The increase was due primarily to :
  - 9.0% increase in operating expenses at TVA Network, particularly in relation to its programming schedule (11.7%), advertising and selling costs;

- o 76.3% increase in operating expenses at the specialty services, mainly reflecting the operating expenses of the new “TVA Sports” and “Mlle” services, which were not operational in the first quarter of 2011;
- o the increase in operating expenses related to additional volume at the TVA Accès division; and
- o a net increase in operating expenses at the new SUN News service, compared with the conventional SUN TV station, which ceased operations in April 2011.

Operating loss: $3,726,000, a negative variance of $6,592,000, primarily due to:

- o operating loss of the new “TVA Sports” service;
- o 44.5% decrease in TVA Network’s operating income; and
- o greater operating loss at Sun News since the service was in its pre-operating phase in the first quarter of 2011.

Analysis of cost/revenue ratio: operating costs for the Television segment’s activities (expressed as a percentage of revenues) increased from 96.9% during the three-month period ended March 31, 2011 to 103.6% in the same period of 2012. The increase is mainly attributable to the new specialty services launched in 2011, for which operating expenses are significantly higher than revenue in the initial years of operation.

Publishing

2012/2011 first quarter comparison

Operating revenues: $15,906,000, a decrease of $963,000 (-5.7%), primarily due to the following factors:

- 5.8% decrease in newsstand revenues, mainly at the entertainment magazines;
- 16.7% decrease in advertising revenues, primarily in the women’s and decoration magazine categories;

Partially offset by:

- 31.4% increase in revenues at the TVA Studio division, particularly in the area of premedia services; and
- 19.0% increase in grant revenues from the Canada Periodical Fund (“CPF”).

Readership and market share statistics

- Together, TVA Publications magazines hold 49% of cumulative monthly Francophone Quebec readership, according to data compiled by the PMB (Print Measurement Bureau – Fall 2011).
- Our weeklies reach close to 2.7 million Canadian readers cumulatively per week according to PBM (Print Measurement Bureau – Fall 2011). The showbiz and celebrity news magazine “7 Jours” alone has 889,000 readers.
- TVA Publications is the leader in newsstand sales, with over 70% of the newsstand market for French-language magazines in Quebec and 49% of total unit sales of French-language magazines in Quebec (source: Audit Bureau of Circulation, December 31, 2011).

Operating expenses: $17,934,000, a $2,759,000 (18.2%) increase.

- The increase was due primarily to:

- $3,375,000 charge recorded in relation to the adoption of new fees for 2010, 2011 and 2012 with respect to business contributions for costs related to waste recovery services provided by Quebec municipalities (Bill 88), of which $2,926,000 is attributable to 2010 and 2011.

Partially offset by:

- decrease in printing costs owing to rate reductions, additional volume discounts and a declining number of pages.

Operating loss: $2,028,000, a negative variance of $3,722,000, primarily due to:

- The impact of the charge recorded in relation to the adoption of new fees for 2010, 2011 and 2012 with respect to business contributions for costs related to waste recovery services (Bill 88).

Analysis of cost/revenue ratio: Operating expenses for the Publishing segment's activities (expressed as a percentage of revenues) were 112.7% during the first quarter of 2012, compared with 90.0% in the same period of 2011. If the liability recorded in relation to Bill 88 is not considered, the percentage for the first quarter of 2012 is 91.5%, slightly higher than the first quarter of 2011.

CASH FLOWS AND FINANCIAL POSITION

Table 5 below shows a summary of cash flows provided by operating activities, investing activities and financing activities:

Table 5
Summary of the Corporation's cash flows
(in thousands of dollars)

	Three months ended March 31	
	2012	2011
Cash flows provided by operating activities	**$ 3,055**	$ 10,242
Additions to property, plant and equipment and intangible assets	**(5,840)**	(9,265)
Non-controlling interest	**1,764**	2,940
Other	**(861)**	(80)
(Increase in) reimbursement of net debt	**$ (1,882)**	$ 3,837

	March 31 2012	Dec. 31 2011
Position at the end:		
Long-term debt	**$ 97,151**	$ 74,635
Current portion of long-term debt	**-**	17,756
Bank overdraft	**282**	3,980
Less: cash	**(936)**	(1,756)
Net debt	**$ 96,497**	$ 94,615

Operating Activities

Cash flows provided by operating activities: $3,055,000 in the first quarter of 2012, compared with $10,242,000 in the same quarter of 2011, a $7,187,000 decrease. The decline was due primarily to the following factors:

- decrease in operating income;

Partially offset by :

- increase in accounts payable and accrued liabilities.

Working capital of TVA Group: $79,913,000 as of March 31, 2012, compared with $66,719,000 as of December 31, 2011.

- The $13,194,000 increase was due primarily to the following factors :
    - $17,756,000 in drawings on the revolving term loan as of December 31, 2011, which had been included in current liabilities. As of March 31, 2012, with the renewal of its revolving term loan for a five-year period, these amounts are again included in long-term debt;

Partially offset by:

  - increase in accounts payable and accrued liabilities.

Investing Activities

Acquisition of property, plant and equipment and intangible assets: $5,840,000 in the first three months of 2012, compared with $9,265,000 in the same period of 2011, a decrease of $3,425,000 (-37.0%).

- The decrease is mainly due to technical investment required in 2011 to set up the new specialty news service SUN News, the specialty service “Mlle” and the main production and broadcasting equipment needed to meet the August 31, 2011 deadline for the transition to digital and high definition.
- In the first quarter of 2012, the Corporation continued its program to convert its production equipment to high definition, particularly for its TVA News division and the “LCN” service.

Financing Activities

Long-term debt: an increase of $22,516,000 as of March 31, 2012 compared with December 31, 2011:

- The increase is mainly due to drawings on the revolving term loan as of December 31, 2011, which were reclassified as long-term debt with the renewal of the facility for a five-year period in the first quarter of 2012; and
- decrease in cash flows provided by operating activities.

Financial Position as of March 31, 2012

Net available liquid assets: $76,293,000, consisting of an unused and available revolving term loan.

Long-term debt of the Corporation, excluding deferred financing costs, increased by $5,003,000 from $92,982,000 as of December 31, 2011 to $97,985,000 as of March 31, 2012 (see “Financing activities” above).

As of March 31, 2012, minimum principal payments on long-term debt in the coming years were as follows:

Table 6
TVA Group minimum principal payment on long-term debt
12-month periods ending March 31
(in thousands of dollars)

2013	$	-
2014		-
2015		75,000
2016		-
2017 and thereafter		22,985
Total	$	97,985

The weighted average term of TVA Group's debt was approximately 3.2 years as of March 31, 2012 (2.5 years as of December 31, 2011). The debt consisted of approximately 77% fixed rate debt (81% as of December 31, 2011) and 23% floating rate debt (19% as of December 31, 2011).

As of March 31, 2012, the consolidated debt ratio as measured by the debt-to-shareholders' equity ratio stood at 29:71 or 0.41, compared with 0.26 as of December 31, 2011. The Corporation's management believes that the cash flows generated on an annual basis by continuing operating activities and available sources of financing should be sufficient to meet its commitments in regard to capital investment, working capital, interest payments, debt repayment, pension plan contributions and dividend payments (or distribution of capital) in the future.

Under its credit agreements, the Corporation is subject to certain restrictions, including requirements to maintain certain financial ratios. As of March 31, 2012, the Corporation was in compliance with all the terms of its credit agreements.

Analysis of consolidated balance sheet as of March 31, 2012

Table 7
Consolidated balance sheet of TVA Group
Analysis of main variances between March 31, 2012 and December 31, 2011
(in thousands of dollars)

	March 31, 2012	Dec. 31, 2011	Variance	Main reason for difference
Assets				
Current income tax assets	**$ 9,186**	$ 4,014	$ 5,172	Recovery of income tax due to operating losses in the first quarter of 2012.
Goodwill	**$ 39,781**	$ 71,981	$ (32,200)	Impact of the write-down of goodwill in the Publishing segment as a result of impairment test performed in the first quarter of 2012.
Liabilities				
Accounts payable and accrued liabilities	**$ 92,006**	$ 82,086	$ 9,920	Related to the increase in operating expenses and the liability recorded in relation to contributions to waste recovery costs in the Publishing segment.
Current portion of long-term debt	**$ -**	$ 17,756	$ (17,756)	Drawings on the revolving term loan as of December 31, 2011 recognized as long-term debt as of March 31, 2012 following renewal.
Long-term debt	**$ 97,151**	$ 74,635	$ 22,516	See “Current portion of long-term debt” above.

ADDITIONAL INFORMATION

Contractual Obligations

As of March 31, 2012, material contractual obligations of operating activities included capital repayment and interest on long-term debt, payments under distribution and broadcast rights acquisition contracts, and payments under other contractual commitments, such as operating leases for services and office space. These contractual obligations are summarized in Table 8.

Table 8
Material contractual obligations of TVA Group as of March 31, 2012
(in thousands of dollars)

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Long-term debt	$ -	$ 75,000	$ 22,985	$ -	$ 97,985
Interest payments[1]	5,196	10,392	2,082	-	17,670
Broadcast and distribution rights	29,860	18,576	304	-	48,740
Other commitments	14,804	14,381	6,309	5,128	40,622
Total	$ 49,860	$ 118,349	$ 31,680	$ 5,128	$ 205,017

[1] *Estimated interest payable on floating rate long-term debt is based on interest rates as of March 31, 2012.*

Related Party Transactions

During the first quarter of 2012, the Corporation sold advertising space and content, recorded subscription revenues and provided production, postproduction and other services to corporations under common control and affiliated corporations in the total amount of $19,655,000 ($16,009,000 in the first quarter of 2011). Transactions with related corporations in the normal course of business are measured at the exchange amount, as negotiated by the parties.

In the first quarter of 2012, the Corporation recorded charges for broadcast rights, telecommunication services, advertising space, commissions on sales and news gathering services under transactions with corporations under common control and affiliated corporations totalling $9,895,000 ($7,510,000 for the first quarter of 2011).

The Corporation also recorded management fees to the parent corporation in the amount of $1,080,000 in the first quarter of 2012 ($1,080,000 in the first quarter of 2011).

SUN News

During 2010, the Corporation and Sun Media Corporation, a subsidiary of the parent corporation, QMI, established a new general partnership, SUN News. The Corporation holds 51%, while Sun Media Corporation owns 49%. The results of this partnership are fully consolidated in the Corporation's results and Sun Media Corporation's interest is recorded under "Non-controlling interest" in the consolidated statement of income. During the first quarter of 2012, a total capital contribution of $3,600,000 ($6,000,000 in 2011) was made by the partners, of which $1,836,000 was made by the Corporation ($3,060,000 in 2011) and $1,764,000 was made by Sun Media Corporation ($2,940,000 in the first quarter of 2011)).

Disposal of a business

On December 22, 2011, the Corporation announced an agreement to sell its 51% interest in "The Cave" and its 50% interest in "Mystery TV" to its partner in the joint ventures, Shaw Media Global Inc. The value of the transaction is $17,500,000, plus a working capital adjustment. The CRTC approved the application to transfer the licences on April 25, 2012. The transaction should be finalized in the second quarter of 2012. This disposal will not materially affect the Corporation's financial performance and cash flows, aside from receipt of the proceeds from the disposal.

Impairment of goodwill

Following the 2012 adoption of regulations governing new fees for business contributions to the cost of waste recovery services provided by Quebec municipalities, operating expenses in the Publishing segment of the Corporation will be adversely affected. As a result, the Corporation reviewed its business plan for these activities and performed an impairment test on the Publishing segment's cash-generating unit ("CGU"). The Corporation concluded that the recoverable amount based on value in use was less than the carrying amount of the Publishing CGU and a goodwill impairment charge of $32,200,000 was recorded in the first quarter of 2012. The Corporation used a pre-tax discount rate of 16.26% (15.89% as of April 1, 2011) and a perpetual growth rate of 1.00% (1.00% as of April 1, 2011) in determining the recoverable amount.

Capital Stock

In accordance with Management's Discussion and Analysis Canadian reporting standards, Table 9 below presents information on the Corporation's capital stock as of April 30, 2012. In addition, 819,421 Class B stock options and 393,252 QMI stock options were outstanding as of April 30, 2012.

Table 9
Number of shares outstanding as of April 30, 2012
(in shares and dollars)

	Issued and outstanding	Book value
Class A common shares	4,320,000	$ 0.02
Class B shares	19,450,906	$ 5.07

On March 17, 2011, the Corporation filed a normal course issuer bid to redeem for cancellation a maximum of approximately 5% of the Corporation's issued and outstanding Class B shares at the offer date between March 21, 2011 and March 20, 2012. The Corporation redeems its Class B shares at the market price at the time of redemption, plus brokerage fees. No Class B shares were repurchased for cancellation in the first quarters of 2012 and 2011.

In view of the Corporation's significant investments in capital projects and several specialty service launches, and given the decision by the Board of Directors of TVA Group in the third quarter of 2011 to suspend dividend payments, the Corporation decided not to renew its Normal Course Issuer Bid.

Disclosure Controls and Procedures

The purpose of internal controls over financial reporting is to provide reasonable assurance as to the reliability of the Corporation's financial reporting and the preparation of its financial statements in accordance with IFRS. No changes to internal controls over financial reporting have come to the attention of management during the three months period ended March 31, 2012 that have materially adversely affected, or are reasonably likely to materially adversely affect, the Corporation's internal controls over financial reporting.

Additional Information

The Corporation is a reporting issuer under the securities acts of all the provinces of Canada; it is therefore required to file financial statements, an information circular and an annual information form with the various securities regulatory authorities. Copies of those documents are available free of charge from the Corporation on request, and on the Web at www.sedar.com.

Forward-looking Information Disclaimer

The statements in this Management's Discussion and Analysis 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), programming content and production cost risks, credit risk, government regulation risks, governmental assistance risks, changes in economic conditions, fragmentation of the media landscape and labour relation risks.

The forward-looking statements in this document are made to give investors and the public a better understanding of the Corporation's circumstances and are based on assumptions it believes to be reasonable as of the day on which they were made. 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, 2011 and the "Our Risk Factors" section in the Corporation's 2011 annual information form.

The forward-looking statements in this Management's Discussion and Analysis reflect the Corporation's expectations as of March 8, 2012, 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 by the applicable securities laws.

Montreal (Quebec)

May 8, 2012

TVA Group Inc.
SELECTED QUARTERLY FINANCIAL DATA
(in thousands of dollars, except per-share data)

	2012			2011
	March 31	Dec. 31	Sept. 30	June 30
Operations				
Operating revenues	**$ 117,812**	$ 131,636	$ 89,214	$ 117,548
Operating (loss) income	**$ (5,754)**	$ 20,657	$ 2,943	$ 22,364
Net (loss) income attributable to shareholders	**$ (39,341)**	$ 11,468	$ 8	$ 13,795
Basic per-share data				
Basic earnings per share	**$ (1.66)**	$ 0.48	$ -	$ 0.58
Weighted average number of outstanding shares (in thousands)	**23,771**	23,771	23,771	23,771
Diluted per-share data				
Diluted earnings per share	**$ (1.66)**	$ 0.48	$ -	$ 0.58
Weighted average number of outstanding diluted shares (in thousands)	**23,771**	23,771	23,771	23,771

	2011			2010
	March 31	Dec. 31	Sept. 30	June 30
Operations				
Operating revenues	$ 107,097	$ 133,387	$ 94,277	$ 110,894
Operating income	$ 4,560	$ 29,132	$ 13,169	$ 26,831
Net income attributable to shareholders	$ 332	$ 19,305	$ 5,530	$ 11,666
Basic per-share data				
Basic earnings per share	$ 0.01	$ 0.81	$ 0.23	$ 0.49
Weighted average number of outstanding shares (in thousands)	23,771	23,771	23,771	23,771
Diluted per-share data				
Diluted earnings per share	$ 0.01	$ 0.81	$ 0.23	$ 0.49
Weighted average number of outstanding diluted shares (in thousands)	23,771	23,771	23,771	23,771

- Most of the Corporation’s operating revenues are derived from the sale of advertising or advertising services. These advertising revenues are usually seasonal and are impacted by the cyclical nature and economic character of the industry and of the markets in which the advertisers operate. The Corporation’s second and fourth quarters are customarily the most favourable periods for advertising revenues, especially for the Television segment. Furthermore, the Corporation is investing in the launch of new specialty services in the Television segment. During the period immediately following the launch of a new specialty service, subscription revenues are always relatively modest, while initial operating expenses may prove more substantial.

- In the Television segment operating expenses vary mainly as a result of programming costs, which are directly related to programming strategies; in the Publishing segment, operating expenses fluctuate according to the arrival of magazines on newsstands.