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FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2013

MESSAGE TO THE SHAREHOLDERS

Montreal, May 7, 2013

TVA Group Inc. (the "Corporation") recorded a net loss attributable to shareholders in the amount of $5.9 million, or $0.25 per share, in the first quarter of 2013, compared with a net loss of $39.9 million, or $1.68 per share, in the same quarter of 2012.

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

- Television segment generates operating income[1] in the amount of $663,000. The $5,622,000 improvement is mainly due to:
  - ⇒ positive impact on operating income of the deconsolidation of the results of SUN News since July 1, 2012;
  - ⇒ $1,741,000 increase in operating income at TVA Network, despite a 7.6% decline in advertising revenues.
- Publishing segment generates operating income in the amount of $232,000. The $2,279,000 improvement is mainly due to the impact of recognition in the first quarter of 2012 of a charge related to the adoption of new 2010, 2011 and 2012 rates for business contributions to the cost of waste recovery and recycling services provided by Québec municipalities, partially offset by a 5.9% decrease in the segment's operating revenues.
- In the first quarter of 2012, a $32.2 million goodwill impairment charge was recognized in the Publishing segment.

The Television segment's first quarter 2013 financial results showed improvement from the first quarter of 2012, despite a decrease in TVA Network's advertising revenues. Our French-language specialty services registered a 23.4% increase in subscription revenues, confirming the growing popularity of our specialty services and their content. We are also very pleased by the audience response to 'La Voix,' which drew an average of more than 2.6 million viewers on Sunday evenings and generated considerable buzz on Québec social networks.

Our magazines' quarterly newsstand revenues continued to decline year-over-year while advertising revenues were relatively stable. A number of cost-containment initiatives aimed at maintaining the Publishing segment's operating margins were undertaken during the quarter and will continue through the rest of the year, and strategies to stimulate newsstand sales will be implemented in the coming quarters.

Cash flows used in operating activities totalled $2.5 million in the first quarter of 2013 while cash flows provided by operating activities in the amount of $2.3 million were recorded in the same quarter of 2012. The $4.8 million decrease was essentially due to the unfavourable net change in non-cash items, resulting in part from a negative variance in accounts payable and accrued liabilities, which was partially offset by the favourable variance in operating income.

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[1] See definition of operating income (loss) below.

Definition

Operating income (loss)

In its analysis of operating results, the Corporation defines operating income (loss) as net income (loss) before amortization of property, plant and equipment and intangible assets, financial expenses, operational restructuring costs, impairment of assets and other costs, impairment of goodwill, tax expense, share of loss (income) of associated corporations and joint ventures and net loss attributable to non-controlling interest. Operating income (loss) as defined above is not a measure of results that is consistent with International Financial Reporting Standards ("IFRS"). Neither is it intended to be regarded as an alternative to other financial performance measures or to the statement of cash flows as a measure of liquidity. This measure 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.

TVA Group

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'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 Loss and Comprehensive Loss

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

	Note		Three-month periods ended March 31 2013		2012 (restated, note 2)
Revenues	3	**$**	**111,070**	$	115,463
Purchases of goods and services	4		**75,093**		81,747
Employee costs			**35,082**		40,722
Amortization of property, plant and equipment and intangible assets			**5,088**		5,217
Financial expenses	5		**1,604**		1,986
Operational restructuring costs, impairment of assets and other costs	6		**952**		117
Impairment of goodwill	7		**–**		32,200
Loss before tax expense and share of income of associated corporations and joint ventures			**(6,749)**		(46,526)
Tax expense			**(2,424)**		(3,320)
Share of loss (income) of associated corporations and joint ventures			**1,563**		(1,100)
Net loss and comprehensive loss		**$**	**(5,888)**	$	(42,106)
Net loss and comprehensive loss attributable to:					
Shareholders		**$**	**(5,888)**	$	(39,929)
Non-controlling interest			**–**		(2,177)
Basic and diluted loss per share attributable to shareholders	8 (c)	**$**	**(0.25)**	$	(1.68)

See accompanying notes to condensed 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)	Contributed surplus	Retained earnings	Accumulated other comprehensive loss - Defined benefit plans		
Balance as at December 31, 2011, as previously reported	$ 98,647	$ –	$ 176,993	$ –	$ 5,389	$ 281,029
Changes in accounting policies (note 2)	–	–	17,408	(18,323)	–	(915)
Balance as at December 31, 2011, as restated	98,647	–	194,401	(18,323)	5,389	280,114
Net loss	–	–	(39,929)	–	(2,177)	(42,106)
Contributions related to non-controlling interest (note 10)	–	–	–	–	1,764	1,764
Balance as at March 31, 2012	98,647	–	154,472	(18,323)	4,976	239,772
Net income (loss)	–	–	33,465		(2,237)	31,228
Other comprehensive loss	–	–	–	(2,297)	–	(2,297)
Contributions related to non-controlling interest	–	–	–	–	1,764	1,764
Disposal of interest in SUN News	–	581	–	–	(4,503)	(3,922)
Balance as at December 31, 2012	98,647	581	187,937	(20,620)	–	266,545
Net loss	–	–	(5,888)	–	–	(5,888)
Balance as at March 31, 2013	**$ 98,647**	**$ 581**	**$ 182,049**	**$ (20,620)**	**$ –**	**$ 260,657**

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.
Consolidated Balance Sheets

(unaudited)
(in thousands of dollars)

	Note	March 31, 2013	December 31, 2012 (restated, note 2)
Assets			
Current assets			
Cash		**$ 3,233**	$ 10,619
Accounts receivable		**114,805**	115,925
Income taxes		**7,899**	3,152
Programs, broadcast and distribution rights and inventories		**58,365**	67,579
Prepaid expenses		**3,220**	2,426
		187,522	199,701
Non-current assets			
Broadcast and distribution rights	6	**39,480**	33,563
Investments		**15,289**	17,651
Property, plant and equipment		**99,223**	98,494
Licences and other intangible assets		**111,642**	112,056
Goodwill	7	**39,781**	39,781
Deferred income taxes		**881**	725
		306,296	302,270
Total assets		**$ 493,818**	$ 501,971

TVA GROUP INC.
Consolidated Balance Sheets (continued)

(unaudited)
(in thousands of dollars)

	Note	March 31, 2013	December 31, 2012 (restated, note 2)
Liabilities and equity			
Current liabilities			
Accounts payable and accrued liabilities		**$ 83,307**	$ 89,092
Income taxes		**147**	816
Broadcast and distribution rights payable		**21,321**	16,966
Provisions		**750**	862
Deferred revenues		**4,325**	6,136
		109,850	113,872
Non-current liabilities			
Long-term debt		**74,743**	74,438
Other liabilities		**38,771**	38,499
Deferred income taxes		**9,797**	8,617
		123,311	121,554
Equity			
Capital stock	8	**98,647**	98,647
Contributed surplus		**581**	581
Retained earnings		**182,049**	187,937
Accumulated other comprehensive loss		**(20,620)**	(20,620)
Equity attributable to shareholders		**260,657**	266,545
Total liabilities and equity		**$ 493,818**	$ 501,971

See accompanying notes to condensed consolidated financial statements.

On May 7, 2013, the Board of Directors approved the condensed consolidated financial statements for the three-month periods ended March 31, 2013 and 2012.

TVA GROUP INC.
Consolidated Statements of Cash Flows

(unaudited)
(in thousands of dollars)

	Note	Three-month periods ended March 31 2013	2012 (restated, note 2)
Cash flows related to operating activities			
Net loss		**$ (5,888)**	$ (42,106)
Non-cash items:			
Amortization		**5,139**	5,318
Operational restructuring costs, impairment of assets and other costs	6	**387**	–
Impairment of goodwill	7	**–**	32,200
Share of loss (income) of associated corporations and joint ventures		**1,563**	(1,100)
Deferred income taxes		**1,024**	18
		2,225	(5,670)
Net change in non-cash items		**(4,768)**	7,965
Cash flows (used in) provided by operating activities		**(2,543)**	2,295
Cash flows related to investing activities			
Additions to property, plant and equipment		**(5,312)**	(5,274)
Additions to intangible assets		**(584)**	(566)
Net change in investments		**799**	–
Cash flows used in investing activities		**(5,097)**	(5,840)
Cash flows related to financing activities			
Net change in bank overdraft		**–**	(3,698)
Net change in revolving credit facility		**254**	5,003
Financing costs		**–**	(344)
Non-controlling interest	10	**–**	1,764
Cash flows provided by financing activities		**254**	2,725
Net change in cash		**(7,386)**	(820)
Cash at beginning of period		**10,619**	1,756
Cash at end of period		**$ 3,233**	$ 936
Interest and taxes reflected as operating activities			
Interest paid		**$ 81**	$ 386
Income taxes paid		**1,968**	2,287

See accompanying notes to condensed consolidated financial statements.

TVA Group Inc. ("TVA Group" or the "Corporation") is governed by the *Québec Business Corporations Act*. 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 Boulevard East, Montréal, Québec, 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 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. 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 ("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 accordingly, they are condensed consolidated financial statements. They are presented in Canadian dollars, which is the currency of the primary economic environment in which the Corporation and its subsidiaries operate ("functional currency"). These condensed consolidated financial statements should be read in conjunction with the Corporation's 2012 annual consolidated financial statements, which describe the accounting policies used to prepare these financial statements.

Comparative figures for the three-month period ended March 31, 2012, have been restated to conform to the presentation adopted for the three-month period ended March 31, 2013.

2. Changes in accounting policies

On January 1, 2013, the Corporation adopted retrospectively the following standards. Unless otherwise indicated, the adoption of these new standards did not have a material impact on prior period comparative figures.

(i) IFRS 10 *Consolidated Financial Statements* replaces SIC 12 *Consolidation – Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements* and provides additional guidance regarding the concept of control as the determining factor in whether an entity should be included in the consolidated financial statements of the parent corporation.

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

2. Changes in accounting policies (continued)

(ii) IFRS 11 *Joint Arrangements* replaces IAS 31 *Interests in Joint Ventures* with guidance that focuses on the rights and obligations of the arrangement, rather than its legal form. It also withdraws the option to proportionately consolidate an entity's interest in joint ventures. The new standard requires that such interests be recognized using the equity method.

The adoption of the standard had the following impacts on prior period comparative figures:

Consolidated statements of income and comprehensive income

Increase (decrease)		Three-month period ended March 31, 2012
Revenues	$	(2,349)
Purchases of goods and services		(1,439)
Financial expenses		4
Loss before tax expense and share of income of associated corporations and joint ventures		914
Share of loss (income) of associated corporations and joint ventures		(914)
Net income and comprehensive income	$	–

(iii) IFRS 12 *Disclosure of Interests in Other Entities* is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose entities and other off-balance sheet vehicles.

(iv) IFRS 13 *Fair Value Measurement* is a new and comprehensive standard that sets out a framework for measuring at fair value and that provides guidance on required disclosures about fair value measurements.

(v) IAS 1 *Presentation of Financial Statements* was amended and the principal change resulting from amendments to this standard is the requirement to present separately other comprehensive items that may be reclassified to income and other comprehensive items that will not be reclassified to income.

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

2. Changes in accounting policies (continued)

(vi) IAS 19 *Employee Benefits (Amended)* involves, among other changes, the immediate recognition of the re-measurement component in other comprehensive income, thereby removing the accounting option previously available in IAS 19 to recognize or to defer recognition of changes in defined benefit obligations and in the fair value of plan assets directly in the consolidated statement of income. IAS 19 also introduces a net interest approach that replaces the expected return on assets and interest costs on the defined benefit obligation with a single net interest component determined by multiplying the net defined benefit liability or asset by the discount rate used to determine the defined benefit obligation. In addition, all past service costs are required to be recognized in profit or loss when the employee benefit plan is amended and no longer spread over any future service period. IAS 19 also allows amounts recorded in other comprehensive income to be recognized either immediately in retained earnings or as a separate category within equity. The Corporation has elected to immediately recognize in accumulated other comprehensive income the amounts recorded in other comprehensive income.

The adoption of the amended standard had the following impacts on comparative figures for prior period:

Consolidated statements of income and comprehensive income

Increase (decrease)	Three-month period ended March 31, 2012
Employee costs	$ 342
Financial expenses	463
Deferred income tax expense	(217)
Net income and comprehensive income	$ (588)

Consolidated balance sheets

Increase (decrease)	December 31, 2012	December 31, 2011
Other liabilities	$ –	$ 1,251
Deferred income taxes liability	–	(336)
Retained earnings	20,620	17,408
Accumulated other comprehensive income	(20,620)	(18,323)

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

3. Revenues

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

	Three-month periods ended March 31	
	2013	2012 (restated, note 2)
Services rendered	**$ 85,977**	$ 89,222
Product sales	**25,093**	26,241
	$ 111,070	$ 115,463

4. Purchases of goods and services

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

	Three-month periods ended March 31	
	2013	2012 (restated, note 2)
Royalties, rights and production costs	**$ 48,988**	$ 50,161
Printing and distribution	**4,598**	7,919
Marketing, advertising and promotion	**5,067**	5,313
Services rendered by parent corporation	**5,935**	4,264
Other	**10,505**	14,090
	$ 75,093	$ 81,747

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

5. Financial expenses

	Three-month periods ended March 31	
	2013	2012 (restated, note 2)
Interest on long-term debt	**$ 1,122**	$ 1,416
Amortization of financing costs	**51**	101
Interest on net defined benefit liability	**420**	463
Other	**11**	6
	$ 1,604	$ 1,986

6. Operational restructuring costs, impairment of assets and other costs

In the three-month period ended March 31, 2013, the Corporation recorded operational restructuring costs in the amount of $565,000 for legal expenses in connection with a trial related to a legal dispute involving a former subsidiary. The Corporation also recorded a $387,000 impairment charge related to its non-current distribution rights inventory following its decision to discontinue theatrical distribution of new Québec films.

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

7. Impairment of goodwill

During the three-month period ended March 31, 2012, following the adoption of new rates for business contributions toward the costs of waste recovery services provided by Québec municipalities, the Corporation had to review its business plan for the related activities and perform an impairment test on the Publishing 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. 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)

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, 2013		December 31, 2012
4,320,000 Class A Common Shares	**$**	**72**	$	72
19,450,906 Class B shares		**98,575**		98,575
	$	**98,647**	$	98,647

(c) Loss per share attributable to shareholders

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

		Three-month periods ended March 31		
		2013		2012 (restated, note 2)
Net loss attributable to shareholders	**$**	**(5,888)**	$	(39,929)
Weighted average number of basic and diluted shares outstanding		**23,770,906**		23,770,906
Basic and diluted loss per share attributable to shareholders (in dollars)	**$**	**(0.25)**	$	(1.68)

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

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

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

	Three-month period ended March 31, 2013			
	Corporation's Class B stock options		Quebecor Media stock options	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Balance as at December 31, 2012	819,421	$ 16.34	213,416	$ 46.55
Exercised	–	–	(19,957)	46.67
Cancelled	(128,345)	15.29	(32,500)	47.68
Options related to executives transferred to Quebecor Media	–	–	(14,625)	46.48
Balance as at March 31, 2013	**691,076**	**$ 16.54**	**146,334**	**$ 46.29**

Of the number of options outstanding as at March 31, 2013, 691,076 Corporation's Class B stock options at an average exercise price of $16.54 and 68,334 Quebecor Media stock options at an average price of $46.07 could be exercised.

During the three-month period ended March 31, 2013, 19,957 Quebecor Media stock options were exercised for a cash consideration of $228,000 (no stock options were exercised in 2012).

During the three-month period ended March 31, 2013, the Corporation recorded a compensation expense of $52,000 ($5,000 in 2012) in relation to the Corporation's Class B stock options and a compensation expense reversal of $29,000 (compensation expense of $596,000 in 2012) in relation to Quebecor Media stock options.

10. Related party transactions

During the three-month period ended March 31, 2013, no capital contribution was made by the partners in SUN News, compared with a capital contribution of $3,600,000 in the three-month period ended March 31, 2012, including $1,836,000 from the Corporation and $1,764,000 from Sun Media Corporation.

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

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 TVA Productions Inc., TVA Sales and Marketing Inc., TVA Accès, TVA Nouvelles and TVA Interactif), the specialty services, the marketing of digital products associated with 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; the marketing of digital products associated with 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.

	Three-month periods ended March 31	
	2013	2012 (restated, note 2)
Revenues		
Television	**$ 97,064**	$ 100,471
Publishing	**14,969**	15,906
Intersegment items	**(963)**	(914)
	$ 111,070	115,463
Operating income (loss)[1]		
Television	**663**	(4,959)
Publishing	**232**	(2,047)
	895	(7,006)
Amortization of property, plant and equipment and intangible assets	**5,088**	5,217
Financial expenses	**1,604**	1,986
Operational restructuring costs, impairment of assets and other costs	**952**	117
Impairment of goodwill	**–**	32,200
Loss before tax expense and share of income of associated corporations and joint ventures	**$ (6,749)**	$ (46,526)

11. Segmented information (continued)

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

(1) The Chief Executive Officer uses operating income (loss) as a measure of financial performance for assessing the performance of each of the Corporation’s segments. Operating income (loss) is defined as net loss before amortization of property, plant and equipment and intangible assets, financial expenses, operational restructuring costs, impairment of assets and other costs, impairment of goodwill, tax expense, share of loss (income) of associated corporations and joint ventures, 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.

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 8 specialty services. TVA Group also holds minority interests in the Évasion specialty service and in the English-language specialty service SUN News Network ("SUN News"). In the Publishing segment, TVA Group produces over 75 magazines, making it Québec's largest publisher of French-language magazines. It also offers custom publishing, commercial printing and premedia services that promote customers' brands through print media. The Corporation's Class B shares are listed on the Toronto Stock Exchange under the ticker symbol TVA.B.

This Interim Management's Discussion and Analysis covers the Corporation's main activities during the first quarter of 2013, and the major changes from the previous financial year. The Corporation's condensed consolidated financial statements for the three-month periods ended March 31, 2013 and 2012 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 annual Consolidated Financial Statements and Management's Discussion and Analysis for the financial year ended December 31, 2012 and in the Condensed Consolidated Financial Statements for the three-month period ended March 31, 2013.

BUSINESS SEGMENTS

The Corporation's business segments are:

- The Television segment, which includes the operations of TVA Network, (including the subsidiaries and divisions TVA Productions Inc., TVA Sales and Marketing Inc., TVA Accès, TVA Nouvelles and TVA Interactif), specialty services, the marketing of digital products associated with 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, which includes the operations of TVA Publications Inc. ("TVA Publications"), a content producer that specializes in the publication of French-language magazines in various fields such as the arts, entertainment, television, fashion and decoration; the marketing of digital products associated with the different magazine brands; and the operations of the TVA Studio division, specializing in custom publishing, commercial print production and premedia services.

HIGHLIGHTS SINCE END OF 2012

- During the first quarter of 2013, the Corporation discontinued theatrical distribution of new Québec films by its TVA Films division. The decision does not affect the distribution of audiovisual products for other platforms.

- On March 14, 2013, TVA Group announced that Serge Gouin, the Chairman of the Board of the Corporation, would step down after the Corporation's Annual Shareholders' Meeting on May 7, 2013. He will be replaced by Pierre Karl Péladeau.

- On February 6, 2013, the creative and programming forces of TVA Group and Videotron Ltd. were brought together under one roof to form QMI Content, a new division of QMI dedicated to creating, developing, acquiring, broadcasting and exporting audiovisual content.

- On February 1, 2013, the "Mlle" specialty service, designed for Québec women, was renamed "Moi&cie." The new brand identity reflects the specialty service's shared mission, target audience and values with *Moi&cie* magazine.

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 with similar names reported by other companies.

Operating income (loss)

In its analysis of operating results, the Corporation defines operating income (loss) as net income (loss) before amortization of property, plant and equipment and intangible assets, financial expenses, operational restructuring costs, impairment of assets and other costs, impairment of goodwill, tax expense, share of loss (income) of associated corporations and joint ventures, 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 loss attributable to shareholders as disclosed in the Corporation's condensed consolidated financial statements.

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

	Three months ended March 31	
	2013	2012 (restated)
Operating income (loss):		
Television	**$ 663**	$ (4,959)
Publishing	**232**	(2,047)
	895	(7,006)
Amortization of property, plant and equipment and intangible assets	**5,088**	5,217
Financial expenses	**1,604**	1,986
Operational restructuring costs, impairment of assets and other costs	**952**	117
Impairment of goodwill	**-**	32,200
Tax expense	**(2,424)**	(3,320)
Share of loss (income) of associated corporations and joint ventures	**1,563**	(1,100)
Non-controlling interest	**-**	(2,177)
Net loss attributable to shareholders	**$ (5,888)**	$ (39,929)

2013/2012 FIRST QUARTER COMPARISON

Analysis of consolidated results of TVA Group

Operating revenues: $111,070,000, a decrease of $4,393,000 (-3.8%).

- $3,407,000 (-3.4%) decrease in the Television segment (Table 2), due mainly to a 6.4% decrease in TVA Network’s revenues and the unfavourable impact of the deconsolidation of the results of SUN News since July 1, 2012, partially offset by a 17.0% increase in revenues at the specialty services.

- $937,000 (-5.9%) decrease in the Publishing segment (Table 2), primarily due to a 13.5% decrease in newsstand revenues and a 7.7% decrease in subscription revenues.

Table 2
Operating revenues
(in thousands of dollars)

	Three months ended March 31	
	2013	2012 (restated)
Television	**$ 97,064**	$ 100,471
Publishing	**14,969**	15,906
Intersegment items	**(963)**	(914)
	$ 111,070	$ 115,463

Operating income: $895,000, a $7,901,000 favourable variance compared with the operating loss recorded in the same quarter of 2012.

- $5,622,000 favourable variance in the Television segment (Table 3), mainly because of the deconsolidation of the negative results of SUN News since July 1, 2012 ("sale of part of the Corporation's interest in SUN News") and a reduction in TVA Network's operating expenses that exceeded the decrease in its revenues.

- $2,279,000 favourable variance in the Publishing segment (Table 3), mainly attributable to the impact of the recognition in the first quarter of 2012 of the charge resulting from the adoption of new 2010, 2011 and 2012 rates for business contributions toward the costs of waste recovery and recycling services provided by Québec municipalities, partially offset by the impact of the revenue decrease.

Table 3
Operating income (loss)
(in thousands of dollars)

	Three months ended March 31	
	2013	2012 (restated)
Television	**$ 663**	$ (4,959)
Publishing	**232**	(2,047)
	$ 895	$ (7,006)

Net loss attributable to shareholders: $5,888,000 (-$0.25 per diluted share) for the first quarter of 2013, compared with a $39,929,000 net loss (-$1.68 per diluted share) in the same period of 2012.

- The positive variance of $34,041,000 ($1.43 per diluted share) was essentially due to:

  - $32,200,000 goodwill impairment charge in the Publishing segment recorded in the first quarter of 2012;

  - $7,901,000 favourable variance in operating income;

  Partially offset by:

  - $2,663,000 unfavourable variance in share of loss (income) of associated corporations and joint ventures;

  - $2,177,000 decrease in non-controlling interest;

  - $896,000 decrease in tax recovery.

- The calculation of per-share amounts was based on a weighted average of 23,770,906 outstanding diluted shares for the quarters ended March 31, 2013 and 2012.

Amortization of property, plant and equipment and intangible assets: $5,088,000, a $129,000 decrease.

- The decrease was essentially due to the deconsolidation of the amortization charge on the property, plant and equipment and intangible assets of SUN News since July 1, 2012.

Financial expenses: $1,604,000, a $382,000 decrease.

- The decrease mainly reflects lower indebtedness, due primarily to the receipt of proceeds from disposal of the Corporation's interest in "Mystery TV" and "The Cave" in the second quarter of 2012.

Operational restructuring costs, impairment of assets and other costs: $952,000 in the first quarter of 2013, compared with $117,000 in the same quarter of 2012.

- In the three-month period ended March 31, 2013, the Corporation recorded operational restructuring costs in the amount of $565,000 for legal expenses in connection with a trial related to a legal dispute involving a former subsidiary. The Corporation also recorded a $387,000 impairment charge related to its non-current distribution rights inventory following its decision to discontinue theatrical distribution of new Québec films.

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

Goodwill impairment: Nil in the first quarter of 2013 compared with $32,200,000 in the first quarter of 2012.

- During the three-month period ended March 31, 2012, following the adoption of new rates for business contributions toward the costs of waste recovery services provided by Québec municipalities, the Corporation had to review its business plan for the related activities and perform an impairment test on the Publishing 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, without any tax consequences, was recorded.

Tax recovery: $2,424,000 (effective tax rate of 35.9%) in the first quarter of 2013, compared with $3,320,000 (effective tax rate of 7.1%) for the same period of 2012.

- In the first quarter of 2013, the tax rate was higher than the Corporation's statutory tax rate of 26.9%, mainly because of the Corporation's share of the tax savings generated by SUN News' losses for the period.

- In the first quarter of 2012, the tax rate was lower than the Corporation's statutory tax rate of 26.9%, essentially because of a non-deductible goodwill impairment charge and Sun Media Corporation's share in the tax savings generated by the operating losses of SUN News, which were consolidated into the Corporation's financial statements at that time.

Share of losses of associated corporations and joint ventures: $1,563,000 in the first quarter of 2013, compared with a $1,100,000 share of income of associated corporations and joint ventures in the same quarter of 2012. The $2,663,000 unfavourable variance was mainly due to the impact of the sale of part of the Corporation's interest in SUN News on June 30, 2012.

Non-controlling interest: Nil in the first quarter of 2013 compared with $2,177,000 in the same quarter of 2012.

- In the first quarter of 2012, non-controlling interest represented Sun Media Corporation's share of the pre-tax loss of SUN News General Partnership. Since July 1, 2012, that entity has been recorded as an investment using the equity method and its results are no longer consolidated by the Corporation.

SEGMENTED ANALYSIS

Television

2013/2012 FIRST QUARTER COMPARISON

Operating revenues: $97,064,000, a decrease of $3,407,000 (-3.4%), primarily due to:

- 7.6% decrease in advertising revenues at TVA Network;
- Unfavourable impact of deconsolidation of the results of SUN News;
- 20.1% decrease in operating revenues at the TVA Boutiques division, more than half of which was due to the discontinuation in the third quarter of 2012 of the home shopping specialty service, which had generated infomercial revenues.

Partially offset by:

- Combined growth of 23.4% in subscription revenues from the specialty services. All of the specialty services posted increases. Subscription revenues rose by 56.2%, 39.4% and 21.5% at "Moi&cie," "Yoopa" and "TVA Sports" respectively.

French-language market ratings

TVA Group's total market share for the period of January 1 to March 31, 2013 was mainly flat compared with the same period of 2012 at 32.9%. TVA Group's French-language specialty services had a combined market share of 8.4% during that period compared with 7.8% in the same period of 2012, an increase of 0.6 points or 7.7%, while the combined market share of the other services decreased by 1.4 points. The "Prise 2" and "Casa" specialty services recorded the strongest growth, with increases of 0.5 points each. "Yoopa," "Moi&cie" and "TVA Sports" had market shares of 0.7%, 0.4% and 0.4% respectively while "LCN" had a 3.1% share. TVA Network remains in the lead with a 24.5% market share, more than its two main conventional rivals combined. It carried 19 of the 30 most-watched programs in Québec during the first quarter of 2013, including *La Voix*, which drew more than 2.6 million viewers.

Table 4
French-language market ratings

Winter 2013 vs Winter 2012 Market share (%)	**2013**	**2012**	**Difference**
French-language conventional broadcasters:			
TVA	**24.5**	25.4	- 0.9
SRC	**14.1**	12.2	+ 1.9
V	**8.6**	8.4	+ 0.2
Total	**47.2**	46.0	+ 1.2
French-language specialty and pay services			
TVA	**8.4**	7.8	+ 0.6
Astral	**22.2**	23.6	- 1.4
Others	**12.7**	12.7	-
Total	**43.3**	44.1	- 0.8
Total English-language and others	**9.5**	9.9	- 0.4
TVA Group	**32.9**	33.2	- 0.3

Source: BBM Ratings, French Québec, January 1 to March 31, 2013, Mon-Sun, 2:00 – 2:00, All 2+.

Operating expenses: $96,401,000, a decrease of $9,029,000 (-8.6%).

- The decrease was due primarily to:
  - positive impact of deconsolidation of the results of SUN News;
  - lower operating expenses at TVA Network due to decreased programming costs and introduction of an expenditure restraint program;
  - lower operating expenses at TVA Boutiques related to the discontinuation of the home shopping channel;

  Partially offset by:

  - higher operating expenses at the specialty services due to factors including investment in programming, the name change of the "Mlle" service to "Moi&cie" and the shortened National Hockey League season in 2013.

Operating income: $663,000, compared with an operating loss of $4,959,000, a favourable variance of $5,622,000 due primarily to:

- Positive impact on operating income of the sale of part of the Corporation's interest in SUN News in July 2012;
- Increase in TVA Network's operating income.

Analysis of cost/revenue ratio: Operating expenses for the Television segment's activities (expressed as a percentage of revenues) decreased from 104.9% during the three-month period ended March 31, 2012 to 99.3% in the same period of 2013. The decrease was mainly due to the deconsolidation of the negative results of SUN News since July 1, 2012 and lower operating expenses at TVA Network.

Publishing

2013/2012 FIRST QUARTER COMPARISON

Operating revenues: $14,969,000, a decrease of $937,000 (-5.9%) due mainly to:

- 13.5% decrease in newsstand revenues, spread across all titles;
- 7.7% decrease in subscription revenues;

Partially offset by:

- 16.5% increase in grant revenues from a new Canadian Heritage program;
- 15.9% increase in revenues at the TVA Studio division, largely related to commercial production and content development (custom publishing).

Readership and market share statistics

- Together, TVA Publications magazines hold 45% of cumulative monthly French-language readership in Québec, according to data compiled by the PMB (Print Measurement Bureau - Spring 2013).
- TVA Publications weeklies reach more than 2.0 million Canadian readers cumulatively per week according to PMB (Print Measurement Bureau - Spring 2013). The showbiz and celebrity news magazine *7 Jours* alone has a weekly readership of 712,000.
- TVA Publications has 49% of total unit sales of French-language magazines in Québec (source: Audit Bureau of Circulation, December 31, 2012).

Operating expenses: $14,737,000, a decrease of $3,216,000 (-17.9%).

- The decrease was mainly attributable to a $3,175,000 favourable variance related to the adoption of new 2010, 2011 and 2012 rates for business contributions toward the costs of waste recovery and recycling services provided by Québec municipalities ("EEQ"), including retroactive charges for the years 2010 and 2011.

Operating income: $232,000, a $2,279,000 favourable variance due primarily to:

- Impact of the recognition in the first quarter of 2012 of the charge resulting from the adoption of new EEQ rates, partially offset by the decrease in operating revenues.

Analysis of cost/revenue ratio: Operating expenses for the Publishing segment's activities (expressed as a percentage of revenues) were 98.5% in the first quarter of 2013, compared with 112.9% in the same period of 2012. Excluding the liability recorded in relation to EEQ, the figure for the first quarter of 2012 was 92.9%. The increase in the first quarter of 2013 was essentially due to the fact that operating expenses cannot be adjusted in the short term at the same pace as the decrease in newsstand revenues.

CASH FLOWS AND FINANCIAL POSITION

Table 5 below shows a summary of Corporation's cash flows related to 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		
		2013		2012
Cash flows (used in) provided by operating activities	**$**	**(2,543)**	$	2,295
Additions to property, plant and equipment and intangible assets		**(5,896)**		(5,840)
Non-controlling interest		**-**		1,764
Other		**748**		(101)
Increase in net debt	**$**	**(7,691)**	$	(1,882)

		March 31, 2013		Dec. 31, 2012
At period end:				
Long-term debt	**$**	**74,743**	$	74,438
Less: cash		**(3,233)**		(10,619)
Net debt	**$**	**71,510**	$	63,819

Operating Activities

Cash flows used in operating activities: $2,543,000 in the first quarter of 2013, compared with cash flows provided by operating activities of $2,295,000 in the same quarter of 2012. The $4,838,000 negative variance was mainly due to the unfavourable net change in non-cash items, resulting in part from a decrease in accounts payable and accrued liabilities, which was partially offset by the favourable variance in operating income.

Working capital of TVA Group: $77,672,000 as of March 31, 2013, compared with $85,829,000 as of December 31, 2012. The $8,157,000 decrease was mainly due to the decrease in cash and the decrease in programs, broadcast and distribution rights and inventories, partially offset by the decrease in accounts payable and accrued liabilities.

Investing Activities

Acquisitions of property, plant and equipment and intangible assets: $5,896,000 in the first three months of 2013, compared with $5,840,000 in the same period of 2012, an increase of $56,000 (1.0%).

Net change in investments: $799,000 in the first three months of 2013, compared with nil during the same period of 2012. In the first quarter of 2013, the Corporation received $799,000 related to a portfolio investment.

Financing Activities

Long-term debt (excluding deferred financing costs)**:** $254,000 increase as at March 31, 2013 compared with December 31, 2012, essentially reflecting an increase in the line of credit on U.S. dollar-denominated transactions.

Financial Position as of March 31, 2013

Net available liquid assets: $102,554,000, consisting of a $99,321,000 unused and available revolving credit facility and $3,233,000 in cash.

As of March 31, 2013, minimum principal payments on long-term debt in the coming 12-month periods were as follows:

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

2014	$ –
2015	75,000
2016	–
2017	254
2018 and thereafter	–
Total	$ 75,254

The weighted average term of TVA Group's debt was approximately 1.6 years at March 31, 2013 (1.9 years at December 31, 2012). The debt consisted of 99.7% fixed-rate debt (100% as of December 31, 2012) and 0.3% floating-rate debt (nil as of December 31, 2012).

The Corporation's management believes that the cash flows generated on an annual basis by continuing operating activities and by available sources of financing should be sufficient to meet its commitments in regard to capital investments, 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 covenants, including maintenance of certain financial ratios. As at March 31, 2013, the Corporation was in compliance with all the terms of its credit agreements.

Analysis of consolidated balance sheet as of March 31, 2013

Table 7
Consolidated balance sheets of TVA Group
Analysis of main variances between March 31, 2013 and December 31, 2012
(in thousands of dollars)

	March 31, 2013	December 31, 2012	Difference	Main reasons for difference
Assets				
Cash	**$ 3,233**	$ 10,619	$ (7,386)	Impact of cash flows used in operating activities.
Programs, broadcast and distribution rights and inventories	**$ 58,365**	$ 67,579	$ (9,214)	Impact of current and seasonal variations in activities.
Income taxes	**$ 7,899**	$ 3,152	$ 4,747	Impact of tax recovery on deductible loss in first quarter 2013 and instalment payments.
Broadcast and distribution rights	**$ 39,480**	$ 33,563	$ 5,917	Increased purchases of broadcast rights for films and series.
Liabilities				
Accounts payable and accrued liabilities	**$ 83,307**	$ 89,092	$ (5,785)	Impact of current and seasonal variations in activities.
Broadcast and distribution rights payable	**$ 21,321**	$ 16,966	$ 4,355	Impact of current and seasonal variations in activities.

ADDITIONAL INFORMATION

Contractual Obligations

As of March 31, 2013, material contractual commitments of operating activities included capital repayment and interest on long-term debt, payments under broadcast and distribution 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, 2013
(in thousands of dollars)

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Long-term debt	$ -	$ 75,000	$ 254	$ -	$ 75,254
Payment of interest[1]	4,513	4,872	359	-	9,744
Broadcast and distribution rights	50,876	32,376	11,480	-	94,732
Other commitments	9,406	9,229	4,258	3,570	26,463
Total	**$ 64,795**	**$ 121,477**	**$ 16,351**	**$ 3,570**	**$ 206,193**

1. Estimated interest payable on long-term debt is based on interest rates as of March 31, 2013. Interest is calculated on a constant debt level equal to that at March 31, 2013 and includes standby fees on the revolving credit facility.

Related-party transactions

During the first quarter of 2013, the Corporation entered into the following transactions with related parties in the normal course of business. These transactions were carried out under terms equivalent to those of arm's length transactions and were recognized according to the consideration agreed between the parties.

The Corporation sold advertising space and content to, recognized subscription revenues from, and provided production, postproduction and other services to corporations under common control and affiliated corporations for an aggregate amount of $19,025,000 ($19,655,000 in the first quarter of 2012).

The Corporation recorded broadcast rights expenses, telecommunications service costs, advertising space acquisition costs, professional service fees and commissions on sales and news gathering services arising from transactions with corporations under common control and affiliated corporations totalling $11,518,000 ($9,895,000 in the first quarter of 2012).

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

SUN News

On June 30, 2012, the Corporation sold a 2% interest in SUN News to Sun Media Corporation for a cash consideration of $765,000. The Corporation has since held a 49% interest in SUN News; Sun Media Corporation owns 51%. Following the loss of control, the investment in SUN News has been accounted for using the equity method and SUN News' results have no longer been consolidated since July 1, 2012.

In the first quarter of 2013, the partners in SUN News made no capital contribution ($3,600,000 in the first quarter of 2012, including $1,836,000 from the Corporation and $1,764,000 from Sun Media Corporation).

Impairment of goodwill

During the first quarter of 2012, following the adoption of new rates for business contributions toward the costs of waste recovery services provided by Québec municipalities, the Corporation had to review its business plan for the related activities and perform an impairment test on the Publishing 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. The Corporation used a pre-tax discount rate of 16.26% and a perpetual growth rate of 1.00% to calculate the recoverable amount.

Capital stock

In accordance with Canadian financial reporting standards, Table 9 below presents information on the Corporation's capital stock as at April 30, 2013. In addition, 691,076 Class B stock options and 146,334 QMI stock options were outstanding as of April 30, 2013.

Table 9
Number of shares outstanding as at April 30, 2013
(in shares and dollars)

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

Changes in accounting policies

On January 1, 2013, the Corporation adopted retrospectively the following standards. Unless otherwise indicated, the adoption of these new standards did not have a material impact on prior period comparative figures.

IFRS 10 *Consolidated Financial Statements* replaces SIC 12 *Consolidation – Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements* and provides additional guidance regarding the concept of control as the determining factor in whether an entity should be included in the consolidated financial statements of the parent corporation.

IFRS 11 *Joint Arrangements* replaces IAS 31 *Interests in Joint Ventures* with guidance that focuses on the rights and obligations of the arrangement, rather than its legal form. It also withdraws the option to proportionately consolidate an entity's interest in joint ventures. The new standard requires that such interests be recognized using the equity method.

The adoption of the standard had the following impacts on prior period comparative figures:

Consolidated statements of income and comprehensive income

Increase (decrease)		Three-month period ended March 31, 2012
Revenues	$	(2,349)
Purchases of goods and services		(1,439)
Financial expenses		4
Loss before tax expense and share of income of associated corporations and joint ventures		914
Share of loss (income) of associated corporations and joint ventures		(914)
Net income and comprehensive income	$	–

IFRS 12 *Disclosure of Interests in Other Entities* is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose entities and other off-balance sheet vehicles.

IFRS 13 *Fair Value Measurement* is a new and comprehensive standard that sets out a framework for measuring at fair value and that provides guidance on required disclosures about fair value measurements.

IAS 1 *Presentation of Financial Statements* was amended and the principal change resulting from amendments to this standard is the requirement to present separately other comprehensive items that may be reclassified to income and other comprehensive items that will not be reclassified to income.

IAS 19 *Employee Benefits (Amended)* involves, among other changes, the immediate recognition of the re-measurement component in other comprehensive income, thereby removing the accounting option previously available in IAS 19 to recognize or to defer recognition of changes in defined benefit obligations and in the fair value of plan assets directly in the consolidated statement of income. IAS 19 also introduces a net interest approach that replaces the expected return on assets and interest costs on the defined benefit obligation with a single net interest component determined by multiplying the net defined benefit liability or asset by the discount rate used to determine the defined benefit obligation. In addition, all past service costs are required to be recognized in profit or loss when the employee benefit plan is amended and no longer spread over any future service period. IAS 19 also allows amounts recorded in other comprehensive income to be recognized either immediately in retained earnings or as a separate category within equity. The Corporation has elected to immediately recognize in accumulated other comprehensive income the amounts recorded in other comprehensive income.

The adoption of the amended standard had the following impacts on comparative figures for prior period:

Consolidated statements of income and comprehensive income

Increase (decrease)		Three-month period ended March 31, 2012
Employee costs	$	342
Financial expenses		463
Deferred income tax expense		(217)
Net income and comprehensive income	$	(588)

Consolidated balance sheets

Increase (decrease)	Dec. 31, 2012	Dec. 31, 2011
Other liabilities	$ –	$ 1,251
Deferred income taxes liability	–	(336)
Retained earnings	20,620	17,408
Accumulated other comprehensive income	(20,620)	(18,323)

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-month period ended March 31, 2013 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 or by forward-looking terminology such as "propose," "will," "expect," "may," "anticipate," "intend," "estimate," "plan," "foresee," "believe" or the negative of those 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, government 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 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, 2012 and the "Risk Factors" section in the Corporation's 2012 annual information form.

The forward-looking statements in this Management's Discussion and Analysis reflect the Corporation's expectations as of May 7, 2013, 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.

Montréal, Québec
May 7, 2013

TVA Group Inc.
Selected quarterly financial data
(in thousands of dollars, except for per-share data)

	2013	2012		
	Mar. 31	Dec. 31 (restated)	Sept. 30 (restated)	June 30 (restated)
Operations				
Operating revenues	**$ 111,070**	$ 127,004	$ 97,171	$ 113,509
Operating income	**$ 895**	$ 20,625	$ 10,341	$ 18,522
Net (loss) income attributable to shareholders	**$ (5,888)**	$ 8,838	$ 1,539	$ 23,088
Basic per-share data				
Basic (loss) earnings per share	**$ (0.25)**	$ 0.37	$ 0.06	$ 0.97
Weighted average number of outstanding shares (in thousands)	**23,771**	23,771	23,771	23,771
Diluted per-share data				
Diluted (loss) earnings per share	**$ (0.25)**	$ 0.37	$ 0.06	$ 0.97
Weighted average number of outstanding diluted shares (in thousands)	**23,771**	23,771	23,771	23,771

	2012	2011		
	Mar. 31 (restated)	Dec. 31 (restated)	Sept. 30 (restated)	June 30 (restated)
Operations				
Operating revenues	$ 115,463	$ 129,037	$ 87,003	$ 115,255
Operating (loss) income	$ (7,006)	$ 19,675	$ 2,186	$ 21,635
Net (loss) income attributable to shareholders	$ (39,929)	$ 11,052	$ (408)	$ 13,379
Basic per-share data				
Basic (loss) earnings per share	$ (1.68)	$ 0.46	$ (0.02)	$ 0.56
Weighted average number of outstanding shares (in thousands)	23,771	23,771	23,771	23,771
Diluted per-share data				
Diluted (loss) earnings per share	$ (1.68)	$ 0.46	$ (0.02)	$ 0.56
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.