November 3, 2017

For immediate release

TVA GROUP REPORTS $12.2 MILLION GROWTH IN ADJUSTED OPERATING INCOME[1] IN THIRD QUARTER OF 2017.

Montreal, Canada – TVA Group Inc. (“TVA Group” or the “Corporation”) announced today that it recorded a net loss attributable to shareholders in the amount of $15.3 million or $0.35 per share in the third quarter of 2017, compared with a net loss attributable to shareholders of $32.5 million or $0.75 per share in the same quarter of 2016.

Third quarter operating highlights:

- Consolidated adjusted operating income[1]of $32,935,000, a favourable variance of $12,242,000 (+59.2%) from the same quarter of 2016.

- $19,902,000 adjusted operating income[1] in the Broadcasting & Production segment, a favourable variance of $8,653,000 mainly because of an increase in the “TVA Sports” channel’s adjusted operating income[1] resulting from, among other things, subscription revenue growth, as well as an increase in TVA Network’s adjusted operating income[1] resulting from higher operating revenues.

- $3,189,000 adjusted operating income[1] in the Magazines segment, an unfavourable variance of $2,523,000 mainly because of a decrease in operating revenues, which was partially offset by the savings generated by the rationalization plans implemented in recent quarters.

- $9,844,000 adjusted operating income[1] in the Film Production & Audiovisual Services segment (“MELS”), a favourable variance of $6,112,000 essentially because of increased adjusted operating income[1] from soundstage and equipment rental due to higher volume of activities.

- Non-cash impairment charge of $29,993,000 for goodwill and $12,412,000 for certain intangible assets in the Magazines segment, compared with a $40,100,000 non-cash goodwill impairment charge in the same quarter of 2016.

“We are satisfied with our third quarter of 2017 results, particularly in the Broadcasting & Production segment, which grew its advertising revenues for the fourth consecutive quarter, with more than 11% year-over-year increase for the segment as a whole, despite the fact that in the third quarter of 2016, TVA Sports broadcasted the games of the World Cup of Hockey tournament.

TVA Group’s total market share increased by 3.1 points to 37.1%[2] in the third quarter of 2017 compared with 34.0% in the same period of 2016. “LCN” grew its market share by 1.1 points to 4.8% due to, among other things, its outstanding coverage of Hurricane Irma. TVA Network also increased its market share by 1.7 points to 24.0%. It

[1] See definition of adjusted operating income (loss) below.
[2] Source: Numeris, French Quebec, July 1 to September 30, 2017, Mon-Sun, 2:00 – 2:00, T2+.

carried 7 of the top 10 shows in Quebec, including *La Voix Junior* which attracted more than 1.8 million viewers," commented France Lauzière, President and CEO of the Corporation.

"The decrease in the Magazines segment's adjusted operating income[1] and the continuing downward trend in the magazine industry's operating revenues, particularly advertising revenues, led the Corporation to conclude that a $42.4 million non-cash charge for impairment of goodwill and of intangible assets had to be taken," added Ms Lauzière.

"Lastly, the presence of many movie productions in Montreal and on our film soundstages combined with the demand for equipment rental services by these same productions contributed to the major growth in the Film Production & Audiovisual Services segment's results for the last quarter compared to the same quarter last year. Moreover, we are very proud of the trust of many local and international producers who use our services, such as those related to the rental of soundstages and filming equipment, postproduction and visual effects activities, and other specific technical services to the industry," concluded Ms. Lauzière.

Definition

Adjusted operating income (loss) ("Adjusted operating results")

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

Forward-looking information disclaimer

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

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

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

particular the “Risks and Uncertainties” section of the Corporation’s annual Management’s Discussion and Analysis for the year ended December 31, 2016 and the “Risk Factors” section in the Corporation’s 2016 annual information form.

The forward-looking statements in this news release reflect the Corporation’s expectations as of November 3, 2017, and are subject to change after this date. The Corporation expressly disclaims any obligation or intention to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by the applicable securities laws.

TVA GROUP

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

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

TVA GROUP INC.
Interim consolidated statements of loss

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

	Note	Three-month periods ended September 30 2017	Three-month periods ended September 30 2016	Nine-month periods ended September 30 2017	Nine-month periods ended September 30 2016
Revenues	2	**$ 140,785**	$ 131,592	**$ 434,451**	$ 421,344
Purchases of goods and services	3	**71,719**	74,517	**276,436**	279,746
Employee costs		**36,131**	36,382	**114,602**	118,181
Depreciation of property, plant and equipment and amortization of intangible assets		**8,767**	8,968	**26,509**	26,322
Financial expenses	4	**697**	738	**1,969**	2,574
Impairment of goodwill and intangible assets	5	**42,405**	40,100	**42,405**	40,100
Operational restructuring costs and others	6	**32**	617	**4,982**	1,777
Loss before tax (recovery) expense and share of loss (income) of associated corporations		**(18,966)**	(29,730)	**(32,452)**	(47,356)
Tax (recovery) expense		**(3,927)**	2,821	**(7,124)**	(1,404)
Share of loss (income) of associated corporations		**139**	(275)	**(328)**	(603)
Net loss		**$ (15,178)**	$ (32,276)	**$ (25,000)**	$ (45,349)
Net (loss) income attributable to:					
Shareholders		**$ (15,259)**	$ (32,507)	**$ (25,161)**	$ (45,572)
Non-controlling interest		**81**	231	**161**	223
Basic and diluted loss per share attributable to shareholders	7 c)	**$ (0.35)**	$ (0.75)	**$ (0.58)**	$ (1.05)

See accompanying notes to interim condensed consolidated financial statements.

TVA GROUP INC.
Interim consolidated statements of comprehensive loss

(unaudited)
(in thousands of Canadian dollars)

		Three-month periods ended September 30		Nine-month periods ended September 30	
	Note	**2017**	2016	**2017**	2016
Net loss		**$ (15,178)**	$ (32,276)	**$ (25,000)**	$ (45,349)
Other comprehensive items that may be reclassified to income:					
Cash flow hedge:					
Gain on valuation of derivative financial instruments	9	**50**	40	**160**	203
Deferred income taxes	9	**(14)**	(10)	**(43)**	(54)
Other comprehensive items that will not be reclassified to income:					
Defined benefit plans:					
Re-measurement gain (loss)	9	**–**	5,000	**–**	(20,000)
Deferred income taxes	9	**–**	(1,343)	**–**	5,342
		36	3,687	**117**	(14,509)
Comprehensive loss		**$ (15,142)**	$ (28,589)	**$ (24,883)**	$ (59,858)
Comprehensive loss attributable to:					
Shareholders		**$ (15,223)**	$ (28,820)	**$ (25,044)**	$ (60,081)
Non-controlling interest		**81**	231	**161**	223

See accompanying notes to interim condensed consolidated financial statements.

TVA GROUP INC.

Interim consolidated statements of equity

(unaudited)
(in thousands of Canadian dollars)

	Equity attributable to shareholders				Equity attributable to non-controlling interest	Total equity
	Capital stock (note 7)	Contributed surplus	Retained earnings	Accumulated other comprehensive (loss) income (note 9)		
Balance as at December 31, 2015	$ 207,280	$ 581	$ 107,369	$ (6,474)	$ 676	$ 309,432
Net (loss) income	–	–	(45,572)	–	223	(45,349)
Other comprehensive loss	–	–	–	(14,509)	–	(14,509)
Balance as at September 30, 2016	207,280	581	61,797	(20,983)	899	249,574
Net income (loss)	–	–	5,717	–	(59)	5,658
Other comprehensive income	–	–	–	22,993	–	22,993
Balance as at December 31, 2016	207,280	581	67,514	2,010	840	278,225
Net (loss) income	–	–	(25,161)	–	161	(25,000)
Other comprehensive income	–	–	–	117	–	117
Balance as at September 30, 2017	**$ 207,280**	**$ 581**	**$ 42,353**	**$ 2,127**	**$ 1,001**	**$ 253,342**

See accompanying notes to interim condensed consolidated financial statements.

TVA GROUP INC.
Interim consolidated balance sheets

(unaudited)
(in thousands of Canadian dollars)

	Note	**September 30, 2017**	December 31, 2016
Assets			
Current assets			
Cash		**$ 25,151**	$ 17,219
Accounts receivable		**140,722**	142,663
Income taxes		**2,553**	3,966
Programs, broadcast rights and inventories		**71,240**	77,628
Prepaid expenses		**5,894**	3,870
		245,560	245,346
Non-current assets			
Broadcast rights		**43,586**	44,684
Investments		**12,734**	12,756
Property, plant and equipment		**201,320**	205,843
Intangible assets	5	**15,872**	32,493
Goodwill	5	**7,892**	37,885
Defined benefit plan asset		**1,686**	4,250
Deferred income taxes		**14,038**	3,351
		297,128	341,262
Total assets		**$ 542,688**	$ 586,608

TVA GROUP INC.
Interim consolidated balance sheets (continued)

(unaudited)
(in thousands of Canadian dollars)

	Note	**September 30, 2017**	December 31, 2016
Liabilities and equity			
Current liabilities			
Accounts payable and accrued liabilities		**$ 95,525**	$ 105,523
Income taxes		**4,986**	1,250
Broadcast rights payable		**82,114**	92,627
Provisions		**7,995**	6,638
Deferred revenues		**21,060**	19,847
Short-term debt		**9,375**	6,562
		221,055	232,447
Non-current liabilities			
Long-term debt		**55,658**	62,561
Other liabilities		**11,924**	11,579
Deferred income taxes		**709**	1,796
		68,291	75,936
Equity			
Capital stock	7	**207,280**	207,280
Contributed surplus		**581**	581
Retained earnings		**42,353**	67,514
Accumulated other comprehensive income	9	**2,127**	2,010
Equity attributable to shareholders		**252,341**	277,385
Non-controlling interest		**1,001**	840
		253,342	278,225
Total liabilities and equity		**$ 542,688**	$ 586,608

See accompanying notes to interim condensed consolidated financial statements.

On November 3, 2017, the Board of Directors approved the interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2017 and 2016.

TVA GROUP INC.

Interim consolidated statements of cash flows

(unaudited)
(in thousands of Canadian dollars)

	Note	Three-month periods ended September 30		Nine-month periods ended September 30	
		2017	2016	**2017**	2016
Cash flows related to operating activities					
Net loss		**$ (15,178)**	$ (32,276)	**$ (25,000)**	$ (45,349)
Adjustments for:					
Depreciation and amortization		**8,816**	9,036	**26,657**	26,528
Impairment of goodwill and intangible assets	5	**42,405**	40,100	**42,405**	40,100
Share of loss (income) of associated corporations		**139**	(275)	**(328)**	(603)
Deferred income taxes		**(9,065)**	1,580	**(11,818)**	(2,220)
Others		**1**	101	**2**	302
		27,118	18,266	**31,918**	18,758
Net change in non-cash balances related to operating activities		**18,715**	15,354	**(1,002)**	17,626
Cash flows provided by operating activities		**45,833**	33,620	**30,916**	36,384
Cash flows related to investing activities					
Additions to property, plant and equipment		**(6,654)**	(7,821)	**(17,540)**	(24,018)
Additions to intangible assets		**(399)**	(444)	**(1,437)**	(1,489)
Change in investments		**293**	(1,188)	**350**	(895)
Business disposal		**–**	–	**–**	222
Cash flows used in investing activities		**(6,760)**	(9,453)	**(18,627)**	(26,180)
Cash flows related to financing activities					
Decrease in bank overdraft		**(6,631)**	(6,244)	**–**	–
Net change in long-term debt		**(8,270)**	(3,926)	**(4,238)**	(2,795)
Repayment of derivative financial instruments		**(39)**	(47)	**(119)**	(143)
Cash flows used in financing activities		**(14,940)**	(10,217)	**(4,357)**	(2,938)
Net change in cash		**24,133**	13,950	**7,932**	7,266
Cash at beginning of period		**1,018**	5,312	**17,219**	11,996
Cash at end of period		**$ 25,151**	$ 19,262	**$ 25,151**	$ 19,262
Interest and taxes reflected as operating activities					
Net interest paid		**$ 597**	$ 533	**$ 1,822**	$ 1,804
Net income taxes paid (received)		**375**	(3,594)	**(455)**	(1,548)

See accompanying notes to interim condensed consolidated financial statements.

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

TVA Group Inc. (“TVA Group” or the "Corporation”) is governed by the Quebec *Business Corporations Act*. TVA Group is a communications company engaged in the Broadcasting & Production, Film Production & Audiovisual Services, and Magazines industries (note 12). The Corporation is a subsidiary of Quebecor Media Inc. (“Quebecor Media” or the “parent corporation”) and its ultimate parent corporation is Quebecor Inc. (“Quebecor”). The Corporation’s head office is located at 1600 de Maisonneuve Boulevard East, Montreal, Quebec, Canada.

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

1. Basis of presentation

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), except that they do not include all disclosures required under IFRS for annual consolidated financial statements. In particular, these consolidated financial statements were prepared in accordance with IAS 34, Interim Financial Reporting, and accordingly, they are condensed consolidated financial statements. These condensed consolidated financial statements should be read in conjunction with the Corporation’s 2016 annual consolidated financial statements, which describe the accounting policies used to prepare these financial statements.

Certain comparative figures for the three-month and nine-month periods ended September 30, 2016 have been restated to conform to the presentation adopted for the three-month and nine-month periods ended September 30, 2017.

2. Revenues

The breakdown of revenues between advertising services, royalties, rental and postproduction services and other services rendered, and product sales is as follows:

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2017	2016	**2017**	2016
Advertising services	**$ 57,418**	$ 55,649	**$ 211,890**	$ 203,164
Royalties	**32,307**	28,654	**96,678**	86,577
Rental and postproduction services and other services rendered	**26,017**	17,401	**51,140**	45,697
Product sales	**25,043**	29,888	**74,743**	85,906
	$ 140,785	$ 131,592	**$ 434,451**	$ 421,344

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

3. Purchases of goods and services

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

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2017	2016	**2017**	2016
Rights and production costs	**$ 38,850**	$ 42,816	**$ 177,874**	$ 180,787
Printing and distribution	**6,792**	7,948	**20,401**	24,771
Services rendered by the parent corporation:				
- Commissions on advertising sales	**4,435**	4,090	**15,927**	14,874
- Others	**2,220**	2,163	**6,678**	6,554
Building costs	**5,436**	5,336	**16,001**	16,113
Marketing, advertising and promotion	**4,772**	4,593	**13,330**	13,787
Others	**9,214**	7,571	**26,225**	22,860
	$ 71,719	$ 74,517	**$ 276,436**	$ 279,746

4. Financial expenses

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2017	2016	**2017**	2016
Interest on long-term debt	**$ 619**	$ 616	**$ 1,821**	$ 1,892
Amortization of financing costs	**49**	68	**148**	206
Interest expense on net defined benefit liability or asset	**25**	88	**74**	262
Foreign exchange loss (gain)	**15**	42	**(93)**	275
Others	**(11)**	(76)	**19**	(61)
	$ 697	$ 738	**$ 1,969**	$ 2,574

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

5. Impairment of goodwill and intangible assets

The continuing downward trend in operating revenues in the magazines industry led the Corporation to perform impairment tests on its Magazines cash-generating unit ("CGU") in the third quarters of 2017 and 2016. The Corporation concluded that the recoverable amount of the Magazines CGU, based on value in use, was less than its carrying amount. Accordingly, a $29,993,000 goodwill impairment charge, including $1,489,000 without any tax consequences ($40,100,000 without tax consequences in 2016), and a $12,412,000 charge for impairment of certain intangible assets, including $3,103,000 without any tax consequences (nil in 2016), were recognized.

6. Operational restructuring costs and others

In the three-month and nine-month periods ended September 30, 2017 and 2016, the Corporation recorded the following operational restructuring costs in connection with elimination of positions:

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2017	2016	**2017**	2016
Broadcasting & Production	**$ 19**	$ 341	**$ 710**	$ 745
Magazines	**13**	105	**420**	495
Film Production & Audiovisual Services	**–**	71	**137**	167
	$ 32	$ 517	**$ 1,267**	$ 1,407

In the second quarter of 2017, the Corporation recorded a $3,663,000 charge for onerous leases extending up to June 2022 for premises that are unused following implementation of rationalization plans in the Magazines segment.

During the nine-month period ended September 30, 2016, the Corporation had recognized a $198,000 loss on the contingent consideration receivable from Sogides Group Inc. in connection with the sale of the book publishing operations acquired in the transaction with Transcontinental Inc.

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

7. 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

	September 30, 2017	December 31, 2016
4,320,000 Class A common shares	**$ 72**	$ 72
38,885,535 Class B shares	**207,208**	207,208
	$ 207,280	$ 207,280

(c) Loss per share attributable to shareholders

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

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2017	2016	**2017**	2016
Net loss attributable to shareholders	**$ (15,259)**	$ (32,507)	**$ (25,161)**	$ (45,572)
Weighted average number of basic and diluted shares outstanding	**43,205,535**	43,205,535	**43,205,535**	43,205,535
Basic and diluted loss per share attributable to shareholders	**$ (0.35)**	$ (0.75)	**$ (0.58)**	$ (1.05)

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

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

8. Stock-based compensation

	Nine-month period ended September 30, 2017			
	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, 2016	357,632	$ 12.71	173,250	$ 62.44
Exercised	–	–	(25,750)	63.95
Cancelled	(104,915)	14.00	(7,400)	64.78
Balance as at September 30, 2017	**252,717**	**$ 12.18**	**140,100**	**$ 62.04**

Of the options outstanding as at September 30, 2017, 204,717 Corporation Class B stock options at an average exercise price of $13.31 and 51,600 Quebecor Media stock options at an average price of $60.41 could be exercised.

During the three-month period ended September 30, 2017, 4,400 Quebecor Media stock options were exercised for a cash consideration of $122,000 (37,400 stock options were exercised for a cash consideration of $382,000 in the same period of 2016). During the nine-month period ended September 30, 2017, 25,750 Quebecor Media stock options were exercised for a cash consideration of $500,000 (41,200 stock options were exercised for a cash consideration of $412,000 in the same period of 2016).

Deferred stock unit ("DSU") and performance stock unit ("PSU") plans

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

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

8. Stock-based compensation (continued)

Deferred stock unit ("DSU") and performance stock unit ("PSU") plans (continued)

The following table shows changes in outstanding DSUs and PSUs during the nine-month period ended September 30, 2017:

	Outstanding units			
	Corporation's stock units		Quebecor stock units	
	DSU	PSU	DSU	PSU
Balance as at December 31, 2016	159,499	212,671	11,482	12,762
Granted	–	–	26	32
Exercised	(1,114)	–	(119)	–
Cancelled	(4,232)	(7,128)	(451)	(634)
Balance as at September 30, 2017	**154,153**	**205,543**	**10,938**	**12,160**

Deferred stock unit ("DSU") plan for directors

As of September 30, 2017, the total number of DSUs outstanding under this plan was 70,588 (43,932 as of December 31, 2016).

Stock-based compensation expense

During the three-month and nine-month periods ended September 30, 2017, compensation expenses in the amount of $941,000 and $2,185,000 respectively were recorded in respect of all stock-based compensation plans ($351,000 and $1,003,000 in the same periods of 2016).

9. Accumulated other comprehensive (loss) income

	Cash flow hedge	Defined benefit plans	Total
Balance as at December 31, 2015	$ (338)	$ (6,136)	$ (6,474)
Other comprehensive income (loss)	149	(14,658)	(14,509)
Balance as at September 30, 2016	(189)	(20,794)	(20,983)
Other comprehensive income	66	22,927	22,993
Balance as at December 31, 2016	(123)	2,133	2,010
Other comprehensive income	117	–	117
Balance as at September 30, 2017	**$ (6)**	**$ 2,133**	**$ 2,127**

10. Related party transactions

ROC Television G.P. ("ROC Television" formerly SUN News General Partnership)

Since the announcement on February 13, 2015 of the discontinuation of the operations of ROC Television, in which TVA Group holds a 49% interest, the Corporation has made capital contributions to ROC Television to cover its operating losses up to the closure date as well as costs related to the discontinuation of operations. A $198,000 allowance was recorded under accounts payable and accrued liabilities at September 30, 2017 to cover those costs.

The partners made a capital contribution of $2,600,000 in the three-month and nine-month periods ended September 30, 2016, including $1,274,000 from TVA Group for costs for which an allowance had already been made at the end of fiscal 2015.

11. Fair value of financial instruments

In accordance with IFRS 13, *Fair Value Measurement*, the Corporation has considered the following fair value hierarchy. This hierarchy reflects the significance of the inputs used in measuring the financial instruments accounted for at fair value on the consolidated balance sheets:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Inputs that are not based on observable market data (unobservable inputs).

The fair value of long-term debt and of the derivative financial instrument are estimated based on a valuation model using Level 2 inputs. Fair value is based on discounted cash flows using period-end market yields or the market value of similar financial instruments with the same maturity.

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

11. Fair value of financial instruments (continued)

The book value and fair value of long-term debt and the derivative financial instrument as at September 30, 2017 and December 31, 2016 are as follows:

	September 30, 2017		December 31, 2016	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Derivative financial instrument	**$ 45**	**$ 45**	$ 322	$ 322
Long-term debt[1]	**65,369**	**65,369**	69,607	69,607

[1] *The book value of long-term debt excludes deferred financing costs.*

12. Segmented information

The Corporation's operations consist of the following segments:

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

– The **Magazines** segment, which through its subsidiaries, notably TVA Publications inc. and Les Publications Charron & Cie inc., publishes magazines in various fields including the arts, entertainment, television, fashion, sports and decoration, markets digital products associated with the various magazine brands and provides custom publishing, commercial print production and premedia services;

– The **Film Production & Audiovisual Services** segment, which through its subsidiaries Mels Studios and Postproduction G.P. and Mels Dubbing Inc. provides soundstage and equipment rental, dubbing, postproduction and visual effects services.

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

12. Segmented information (continued)

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2017	2016	**2017**	2016
Revenues				
Broadcasting & Production	**$ 94,110**	$ 88,409	**$ 322,133**	$ 299,433
Magazines	**25,218**	30,025	**70,376**	86,709
Film Production & Audiovisual Services	**24,594**	15,969	**50,372**	44,131
Intersegment items	**(3,137)**	(2,811)	**(8,430)**	(8,929)
	140,785	131,592	**434,451**	421,344
Adjusted operating income[1]				
Broadcasting & Production	**19,902**	11,249	**25,635**	4,934
Magazines	**3,189**	5,712	**7,538**	11,691
Film Production & Audiovisual Services	**9,844**	3,732	**10,240**	6,792
	32,935	20,693	**43,413**	23,417
Depreciation of property, plant and equipment and amortization of intangible assets	**8,767**	8,968	**26,509**	26,322
Financial expenses	**697**	738	**1,969**	2,574
Impairment of goodwill and intangible assets	**42,405**	40,100	**42,405**	40,100
Operational restructuring costs and others	**32**	617	**4,982**	1,777
Loss before tax (recovery) expense and share of loss (income) of associated corporations	**$ (18,966)**	$ (29,730)	**$ (32,452)**	$ (47,356)

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

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