

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

QUEBECOR WORLD (USA) , et al.,

Debtors.

)
)
) Chapter 11
)
)
) Case No. 08-10152 (JMP)
)
) Jointly Administered
)

**SUPPLEMENTAL DECLARATION OF
ALVIN D. KNOTT IN CONNECTION WITH THE RETENTION
OF KPMG LLP (US) AS TAX COMPLIANCE AND TAX
CONSULTING ADVISORS TO THE DEBTORS AND DEBTORS IN POSSESSION**

I, Alvin D. Knott, being duly sworn, declare that the following is true and correct to the best of my knowledge, information and belief:

1. I am a Principal of KPMG LLP (US) ("KPMG US"), a professional services firm. I submit this declaration to supplement the Declaration of Michael Lawler dated April 7, 2008 (the "Initial Declaration")¹ submitted in support of the Debtors' Application to Employ KPMG LLP (US) Nunc Pro Tunc to April 7, 2008 as Tax Compliance and Tax Consulting Advisors Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code (the "Application"), filed by the above-captioned debtors and debtors-in-possession (collectively, the "Debtors"). The Application was approved by Order of this Court dated April 17, 2008 (the "Initial Retention Order").

¹ All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Initial Declaration.

2. The engagement letter ("First EL") annexed to the Application and Initial Declaration contemplated and provided for the performance of additional tax compliance and/or consulting services agreed to between the Debtors and KPMG US. Initial Declaration ¶ 5(e) (referring to the scope of services to be provided: "Performance of such other tax compliance/tax consulting services as agreed to. . ."), First EL pp. 4-5 ("If such matters exceed the scope of this engagement letter, we will issue separate engagement letters. . ."). In addition, the Application as well as the Initial Declaration set forth that any new engagements would be filed with the Court. Id., Application, fn. 3.

3. KPMG US recently entered into five additional engagement letters with the Debtors (collectively the "Engagement Letters"), each of which are attached hereto as Exhibit 1. In addition to the tax compliance and consulting services approved by the Initial Retention Order, KPMG US will provide the following tax consulting services, including, but not limited to:

- (a) Preparation of a tax opinion letter concerning the deductibility of interest on outstanding indebtedness for U.S. federal income tax purposes taking into account certain refinancing and recapitalization transactions in 2007;
- (b) Preparation of a tax opinion letter concerning the U.S. federal income tax implications with respect to a cross-border leasing arrangement;
- (c) Preparation of a tax opinion letter with respect to the 2007 reorganization of the Debtors' "reverse hybrid" financing structure;
- (d) Providing tax advice with respect to the U.S. federal income tax consequences of alternative potential reorganizations of the Mexican foreign affiliates of the Debtors; and
- (e) Providing tax consulting services with respect to the U.S. federal income tax consequences of the Debtors' restructuring of a portion of its debt.

4. The discounted hourly rates for tax compliance services to be rendered by KPMG US applicable herein are as follows:

Washington National Tax (WNT) Partner	\$730
International Corporate Services (ICS) Partner	\$715
ICS Tax Managing Director	\$670
WNT Senior Manager	\$655
ICS Senior Manager	\$610
ICS Manager	\$490
ICS Senior Associate	\$325
ICS Associate	\$245
ICS Intern	\$145

These rates are consistent with the rates charged in other matters of this type by the International and Washington National Tax professionals assigned to this engagement. As set forth in the Application, in the normal course of KPMG US's business, the hourly rates are subject to periodic increase. To the extent such hourly rates are increased, KPMG requests that, with respect to the work to be performed after such increase, the rates below be amended to reflect such increase.

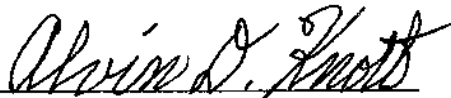
5. As set forth in the Initial Declaration, KPMG US is engaged by Quebecor World Inc. ("QWI"), the Canadian parent company of the Debtors. KPMG US continues to be engaged by QWI and anticipates entering into additional engagement letters with QWI or through one or more inter-member firm agreements with KPMG LLP (Canada). KPMG US does not anticipate that the Debtors will be party to any such engagement letters. Further, KPMG US does not anticipate receiving payments in respect of such engagement nor have any arrangements been made to receive payments directly from the Debtors respecting the same.

6. It remains that neither KPMG US nor any employee thereof, insofar as I have been able to ascertain, represents any interest adverse to the Debtors or their estates.

Except as may be stated above or in the Initial Declaration, KPMG US remains a “disinterested person” as that term is defined in 11 U.S.C. § 101(14).

I declare under penalty of perjury that the foregoing is true and correct

Executed this 27th day of June, 2008.


Alvin D. Knott