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

In re

Quebecor World (USA) Inc., et al.,

Debtors.

Chapter 11

Case No. 08-10152 (JMP)
Jointly Administered

Honorable James M. Peck

DECLARATION OF MARIO R. D’ARIENZO IN SUPPORT OF THE DEBTORS’ (1) FIRST OMNIBUS MOTION FOR AN ORDER PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 6006 AUTHORIZING THE DEBTORS TO ASSUME CERTAIN UNEXPIRED NONRESIDENTIAL REAL PROPERTY LEASES; (2) SECOND OMNIBUS MOTION FOR AN ORDER PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 6006 AUTHORIZING THE REJECTION OF CERTAIN UNEXPIRED NONRESIDENTIAL REAL PROPERTY LEASES; AND (3) MOTION FOR AN ORDER PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE EXTENDING THE TIME WITHIN WHICH THE DEBTORS MAY ASSUME OR REJECT CERTAIN UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY UPON CONSENT OF APPLICABLE LANDLORDS

I, Mario R. D’Arienzo, declare under penalty of perjury as follows:

1. I am Vice President of Real Estate of Quebecor World, Inc. (“QWI”), the parent company of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”).

2. In this capacity, I am generally familiar with the Debtors' operations, real estate holdings and acquisitions, and real estate leases.

3. In connection with the conduct of their businesses, certain of the Debtors are lessees or sublessees under approximately 46 unexpired leases and subleases of nonresidential real property (collectively, the "Leases"). The Leases primarily relate to the Debtors' plants, warehouse and storage facilities, and distribution facilities.

4. Since the Petition Date, the Debtors have initiated a comprehensive review of the Leases in order to determine which Leases, in the Debtors' business judgment, are necessary to their ongoing business operations and restructuring efforts, and which Leases should be rejected as unnecessary or burdensome.

5. As of the date of this Motion, each of the Leases (other than certain Leases previously rejected by the Debtors in these cases by order of the Court) remains in effect and has not expired or been terminated according to its terms.

6. Since the Petition Date, the Debtors have made substantial efforts to review the Leases in the context of their ongoing business operations in order to determine which Leases should be assumed or rejected.

7. To assist in this process, on April 1, 2008, the Debtors sought, and were granted by this Court, authority to retain and employ Prime Locations, LLC, George Comfort & Sons, Inc. and the CORE Network (collectively, the "Real Estate Consultants") to provide real estate consulting services in support of the Debtors' determination of which Leases should be assumed or rejected.

8. As part of their real estate consulting services, the Real Estate Consultants prepared an analysis of each of the Debtors' Leases, which analyses allowed the Debtors to: (i)

thoroughly review all of the Leases; (ii) engage in discussions with certain lessors, as appropriate, regarding the possible renegotiation of the terms and conditions of their respective Leases; and (iii) fully consider the assumption or rejection of the Leases consistent with their reorganization objectives.

9. As a result of these efforts, the Debtors have now determined, in the exercise of their business judgment and to the extent possible at this early juncture of their Chapter 11 Cases, to pursue one of the following four options with respect to each of the Leases: (i) assume such Lease in its current form; (ii) amend such Lease on terms more advantageous to the Debtors and otherwise acceptable to the applicable lessor, and assume such Lease as so amended, (iii) reject such Lease as not necessary to the Debtors' reorganization; or (iv) enter into agreements with specific lessors to extend the deadline by which the Debtors must elect whether to assume or reject the Leases with such lessors.

10. Simultaneously herewith, the Debtors are filing appropriate motions to assume certain of the Leases (the "Assumption Motion"), to reject two of the Leases (the "Extension Motion") and to extend the time by which the Debtors must elect to assume or reject five of the Leases (the "Extension Motion").

The Assumption Motion

11. Based on a review and analysis of the Leases, the Debtors seek authority to assume the approximately thirty-nine Leases identified on Exhibit B attached to the Assumption Motion (collectively, the "Assumed Leases"), with such assumption to be effective as of the entry of an Order granting the relief requested.

12. In connection with the assumption of the Assumed Leases, the Debtors propose to pay to each lessor such amounts which, according to the Debtors' books and records, are

currently due and owing to such lessor in order to cure any and all defaults under the Assumed Leases with such lessor, as set forth on Exhibit B (each, a “Cure Payment”).

13. The Debtors have determined, in the exercise of their best business judgment at this juncture of their reorganization process, and based on the information currently available in this regard, that the assumption of the Assumed Leases is appropriate.

14. Although the Debtors are seeking authority to assume most of the Leases as they existed as of the Petition Date, with respect to certain of the Leases the Debtors have reached agreement with the applicable lessors to modify and amend such Leases in a manner more favorable to the Debtors (generally by means of an extension of the term of such Lease or a reduction in the rent payable thereunder), and are seeking authority to assume such Leases as amended. Moreover, the Debtors utilized their best efforts to negotiate amendments to certain of the Leases, where possible, in order to ensure that the assumption of such Leases, as amended, would be in the best interests of the reorganization process.

15. The Debtors have exercised their best business judgment to make the best decisions possible under the current circumstances of these cases, and the relief requested in this is appropriate and justified under the circumstances, as the assumption of the Assumed Leases is within the sound business judgment of the Debtors.

16. Specifically, with respect to each of the Assumed Leases, the Debtors have assessed both the relevant markets and their business operations, and, recognizing that their business plan has not yet been completed, have determined nevertheless that the lease assumptions sought by this Motion are an appropriate exercise of the Debtors’ business judgment based upon the information available to the Debtors at this juncture in these Chapter 11 Cases.

17. Moreover, the Debtors have determined, to the best of their ability, that the Assumed Leases are valuable and necessary to their future restructuring efforts, and that rejection of the Assumed Leases would not be in the best interest of the Debtors and their bankruptcy estates.

18. The nature of the Debtors' businesses requires that they maintain facilities that are uniquely suited to the Debtors' needs, and an unlimited market for these types of properties simply does not exist. In particular, the Debtors' printing operations utilize large presses and other equipment, some of which require thousands of square feet of space, and, in conjunction therewith, the Debtors also require significant storage space for the substantial inventory of raw materials necessary to properly conduct such printing operations. Further, in light of the Debtors' shipping and distribution operations ancillary to their printing business, many of the Debtors' facilities must be located near railways and/or major highways.

19. Accordingly, in determining which Leases to assume, the Debtors considered multiple factors in addition to any possible cost savings realizable from rent reductions at alternative locations, including specifically: (1) the feasibility of relocating; (2) the disruption any relocation would have with respect to shipments, deliveries, vendors, customers, and the Debtors' business operations generally; and (3) the incremental cost and business risks associated with any shutdown and relocation of their business operations. With respect to the Assumed Leases, the Debtors have determined, in their business judgment, that the inherent costs and potential disruptions attendant to any relocation would far outweigh any potential benefits of such relocation.

20. The Debtors continue to work diligently towards a successful reorganization, and as their business plan continues to evolve and their restructuring efforts move forward in the plan

process, the Debtors may determine that certain Leases are ultimately not necessary to their ongoing business operations. To that end, the Debtors expressly reserve the right to assign any of the Assumed Leases at a future date, pursuant to sections 363 and 365(f) of the Bankruptcy Code. Moreover, the Debtors reserve their right to modify any of their assumption decisions set forth herein and to later reject such Assumed Lease if the Debtors determine that such a result is appropriate, in their business judgment, at such time.

21. For the reasons set forth herein, and subject to the reservation of rights described above, the Debtors believe that the assumption of the Assumed Leases is proper under the circumstances. Further, the Debtors believe that payment of the Cure Payments will satisfy the Debtors' obligations to cure outstanding defaults as a condition to their assumption of the Assumed Leases, as required by section 365(b) of the Bankruptcy Code. With respect to the Debtors' obligation to provide adequate assurance of future performance under the Assumed Leases, the Debtors believe that the Debtors' continued performance under the Assumed Leases following the Petition Date, together with the liquidity and resources provided by their billion dollar debtor-in-possession financing previously approved by the Court, constitutes adequate assurance of their ability to continue to perform under each of the Assumed Leases.

The Rejection Motion

22. Based on a review of the Leases, the Debtors have determined that the two leases identified on Exhibit B attached to the Rejection Motion and incorporated herein by reference (collectively, the "Rejected Leases") are not necessary to the Debtors' continued business operations and that continuing to incur obligations in the long-term under the Rejected Leases would not provide any corresponding benefit to the Debtors' bankruptcy estates.

23. The Debtors seek entry of an order authorizing the rejection of the unexpired real property leases set forth on Exhibit B attached to the Rejection Motion, with such rejection effective for each Lease as of the date the Debtors relinquish or will have relinquished the property with the consent of the applicable lessor (the “Rejection Date”). With regard to the property located at 399 Mill Road, Edison New Jersey, the Debtors and the lessor have entered into a consensual agreement that rejection can be effective January 31, 2009.

24. The continued payment of rent under the Rejected Leases is economically burdensome and would constitute an unnecessary drain on the assets of the Debtors’ estates and the Debtors have determined the Rejected Leases should be rejected in order to prevent the Debtors from incurring any additional postpetition obligations thereunder.

25. Accordingly, rejection of the Rejected Leases is a sound business decision and the Debtors request entry of an order granting the relief requested in the Rejection Motion.

The Extension Motion

26. The Debtors have sought an extension of the time to assume or reject the five Leases set forth on Exhibit B to the Extension Motion because: (i) the Debtors require additional time to determine whether the respective property in each case is necessary to a successful reorganization of their affairs; or (ii) the Debtors and the applicable lessors have been engaged in discussions regarding certain modifications and amendments to such lessors’ respective Leases.

27. To provide additional time to review these Leases and, where appropriate, to negotiate and document amendments to these Leases, the Debtors have obtained the written consent of the applicable lessors with respect to the Leases set forth on Exhibit B to the Extension Motion, so as to further extend the deadline by which the Debtors must elect to either

assume or reject such Leases (collectively, the “Extended Deadline Leases”) until the Lease Extension Deadline.

28. The Debtors therefore seek this Court’s approval to establish the Lease Extension Deadline as the new deadline by which the Debtors must elect to either assume or reject the Extended Deadline Leases. Prior to the expiration of the Lease Extension Deadline, the Debtors intend to seek authorization to assume the Extended Deadline Leases, including to the extent applicable as amended, or to reject such Extended Deadline Leases subject to the Debtors’ right to seek a further extension of the deadline to assume or reject any of these Extended Deadline Leases, with appropriate lessor consent.

29. Prior to the Lease Extension Deadline, the Debtors will continue to timely perform all of their obligations under the Extended Deadline Leases. Accordingly, approval of the Lease Extension Deadline is appropriate and warranted.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: August 4, 2008

/s/ Mario R. D’Arienzo
Mario R. D’Arienzo