

Quebecor World

QUEBECOR WORLD (USA) INC. AND AFFILIATED DEBTORS COMBINED FINANCIAL STATEMENTS

MONTHLY OPERATING STATEMENT FOR THE PERIOD FROM
MARCH 1 TO 28, 2009

UNITED STATES BANKRUPTCY
COURT
SOUTHERN DISTRICT OF NEW YORK

In re: Chapter 11
Quebecor World (USA) Inc., et al. Case No. 08-10152 (JMP)
Debtors: (Jointly Administered)

MONTHLY OPERATING STATEMENT FOR THE PERIOD
FROM MARCH 1 TO 28, 2009

DEBTORS' ADDRESS: 150 42nd Street
New York, NY 10034

MONTHLY DISBURSEMENTS MADE BY QUEBECOR
WORLD (USA), Inc., et al.
(IN THOUSANDS): \$204,346

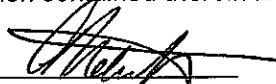
DEBTORS' ATTORNEY: Arnold & Porter LLP
Michael J. Canning
399 Park Avenue
New York, NY 10022-4690

MONTHLY OPERATING INCOME (LOSS)
(IN THOUSANDS): (\$13,500)

REPORT PREPARER: QUEBECOR WORLD (USA) Inc., et al.

The undersigned, having reviewed the attached report and being familiar with the Debtors' financial affairs, verifies under penalty of perjury, that the information contained therein is complete, accurate and truthful to the best of my knowledge.

ISI



JEREMY ROBERTS

CHIEF FINANCIAL OFFICER

OF QUEBECOR WORLD INC., CORPORATE PARENT
OF QUEBECOR WORLD (USA) INC.

DATE: June 17, 2009

QUEBECOR WORLD (USA) INC., et al
(Debtor-in-Possession)

Case No. 08-10152 (Jointly Administered)

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QUEBECOR WORLD (USA) INC., et al
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COMBINED STATEMENT OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

For the period from March 1 to 28, 2009

(in millions)

(Unaudited)

Operating revenues		\$	177.2
Operating expenses:			
Cost of sales (excluding depreciation and amortization)		\$	154.1
Selling, general and administrative		\$	14.3
Depreciation and amortization		\$	9.1
Restructuring and other charges	note 3	\$	13.2
		\$	190.7
Operating income		\$	(13.5)
Financial expenses		\$	18.5
Reorganization items	note 5	\$	2.7
Income taxes		\$	(11.7)
Net income (loss) and comprehensive income (loss)		\$	(23.0)

QUEBECOR WORLD (USA) INC., et al
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Case No. 08-10152 (Jointly Administered)
COMBINED STATEMENT OF CASH FLOWS
For the period from March 1 to 28, 2009
(in millions)
(Unaudited)

Cash flows from operating activities:	
Net income (loss)	\$ (23.0)
Adjustments for:	
Depreciation of property, plant and equipment	9.0
Future income taxes	(13.6)
Amortization of other assets	1.0
Other	0.3
	<u>(26.3)</u>
Net changes in non-cash balances related to operations:	
Accounts receivable	24.7
Inventories	(0.9)
Trade payables and accrued liabilities	14.2
Other current assets and liabilities	(3.2)
Other non-current assets and liabilities	(2.6)
	<u>32.2</u>
Cash flows provided by (used in) operating activities	5.9
Cash flows from financing activities:	
Net change in bank indebtedness	2.1
Net change in long-term debt	(1.0)
Cash flows provided by (used in) financing activities	1.1
Cash flows from investing activities:	
Additions to property, plant and equipment	(5.9)
Cash flows provided by (used in) investing activities	(5.9)
Net changes in cash and cash equivalents	1.1
Cash and cash equivalents, beginning of period	232.7
Cash and cash equivalents, end of period	<u>\$ 233.8</u>
Supplemental cash flow information:	
Interest payment	\$ 3.2
Income tax paid (net of refund)	0.6

See accompanying Notes to Combined Financial Statements

QUEBECOR WORLD (USA) INC., et al
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COMBINED BALANCE SHEET

(in millions)

(Unaudited)

As of March 28, 2009

Assets		
Current assets:		
Cash and cash equivalents		\$ 233.8
Accounts receivables		472.3
Inventories		130.7
Future income taxes and tax receivable		32.2
Prepaid expenses		39.1
Total current assets		908.1
Property, plant and equipment		935.8
Restricted cash		32.5
Future income taxes		0.3
Other assets		351.6
Total assets		\$ 2,228.2
Liabilities and Shareholders' deficit		
Current liabilities:		
Bank indebtedness		\$ 11.5
Trade payables and accrued liabilities		210.5
Income and other taxes payable		19.1
Current portion of long-term debt	note 6	500.4
Liabilities subject to compromise	note 4	2,998.3
Total current liabilities		3,739.8
Long-term debt	note 6	52.9
Other liabilities		155.1
Future income taxes		21.9
Shareholders' deficit:		
Capital stock		1,031.3
Contributed surplus		470.0
Deficit		(3,242.8)
		(1,741.5)
Total Liabilities and Shareholders' deficit		\$ 2,228.2

See accompanying Notes to Combined Financial Statements.

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NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS

For the period from March 1 to 28, 2009

1. Chapter 11 Cases and CCAA Proceedings

On January 21, 2008 (the "Petition Date"), Quebecor World (USA) Inc. and 52 of its affiliates in the United States (collectively, the "Debtors") filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code (the "U.S. Proceedings") in the U.S. Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). A complete list of the Debtors is set forth on Schedule III attached hereto and reference can be made to the complete list of the Debtors on the website of the Debtors' claims agent, Donlin Recano & Company, at www.qwusadocket.com.

On January 20, 2008, the Debtors' corporate parent, Quebecor World Inc. ("QWI"), together with each of the Debtors commenced a proceeding before the Superior Court, Commercial Division, for the Judicial District of Montreal (the "Canadian Court") for a plan of compromise or arrangement (the "Canadian Proceedings") under the Canadian Companies' Creditors Arrangement Act ("CCAA"). Each of the Debtors was joined in the Canadian Proceedings, in order that each Debtor could obtain the protection of a stay under the CCAA as well as under the Bankruptcy Code. The Initial Order under the Canadian Proceedings is dated January 21, 2008 and takes effect from immediately after midnight on January 20, 2008. The Canadian Court appointed Ernst & Young, Inc. to serve as Monitor for the Canadian Proceedings (the "Monitor"), and UBS Investment Bank is serving as a financial advisor to the Canadian Affiliates.

The Canadian Proceedings and the U.S. Proceedings are hereinafter collectively referred to as the "Bankruptcy Proceedings."

On September 30, 2008, the Monitor filed a Petition For Recognition of the Foreign Proceeding (the "Chapter 15 Petition") in the Bankruptcy Court with respect to QWI in part to insure that any creditor in the U.S. holding claims against QWI file such claims in the Canadian Proceedings. On November 14, 2008, the Bankruptcy Court entered an order recognizing the Canadian Proceeding as the foreign main proceeding pursuant to section 1517 of the Bankruptcy Code.

The Debtors collectively operate the second largest commercial printing business in the United States, maintaining approximately 67 facilities in 26 states. QWI is a Canadian corporation, having been incorporated on February 23, 1989 pursuant to the Canada Business Corporations Act to combine the assets constituting what was then the printing division of Quebecor Inc. (QWI, together with the Debtors and all of QWI's debtor and non-debtor subsidiaries and affiliates are referred to herein as "QW World"). QWI is a public company, with its registered and principal office located in the City of Montreal in the Province of Quebec, Canada, and its shares historically listed on the New York Stock Exchange and the Toronto Stock Exchange (the "TSX"). As a result of these Chapter 11 Cases, QWI was delisted from the New York Stock Exchange. QWI's shares traded on the TSX until April 17, 2009, when they were suspended from trading on the TSX until further notice. This suspension is to remain in place for the duration of the Bankruptcy Proceedings.

The Debtors are operating their businesses and managing their properties as debtors-in-possession under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the CCAA and applicable court orders. In general, as debtors-in-possession, each of the Debtors is authorized to continue to operate as an ongoing business, but may not engage in transactions outside the ordinary course of business without the prior approval of the Bankruptcy Court.

No request has been made for the appointment of a trustee in these cases. On January 31, 2008, an Official Committee of Unsecured Creditors (the "Creditors' Committee") was appointed. On June 1, 2009, a motion was filed by Riverside Claims, LLC seeking the appointment of an examiner to investigate certain specified issues in connection with the negotiation of the Plan and the Debtors' conduct regarding a possible sale of certain assets to RRD. The motion seeking the appointment of an examiner has been adjourned until June 30, 2009.

Pursuant to the Bankruptcy Code, all actions and proceedings against the Debtors and property of the Debtors' estate are stayed during the continuation of the U.S. Proceedings. In addition, pursuant to the initial order entered in the Canadian Proceedings, which has been extended through July 21, 2009, a stay is also in effect under the Canadian Proceedings.

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For the period from March 1 to 28, 2009

On January 22, 2008, the Debtors sought authority to execute and enter into a \$1 billion Secured Superpriority Debtor-in-Possession Credit Agreement (the "DIP Loan") dated as of January 21, 2008, among QWI and Quebecor World (USA) Inc., as Borrowers; the Guarantors party thereto, Credit Suisse, as Administrative Agent and Collateral Agent; Morgan Stanley Senior Funding, Inc., as Syndication Agent, acting as Agents for themselves, Credit Suisse, as an Initial Issuing Bank and Initial Swing Line Lender, and the Initial Lenders and the other Lenders party thereto, arranged by Credit Suisse Securities (USA) LLC and Morgan Stanley Senior Funding, Inc., as Joint Lead Arrangers and Co-Bookrunners. On January 23, 2008, the Bankruptcy Court granted interim approval of the DIP Loan, but initially limited access under the DIP Loan to \$750 million. On April 1, 2008 the Bankruptcy Court entered a final order approving the DIP Loan, as amended by amendments dated January 25, 2008, February 26, 2008, March 27, 2008, and August 5, 2008 (as amended, the "DIP Facility").

In addition, upon the commencement of these cases, the Bankruptcy Court approved the Debtors' cash management procedures in connection with its approval of the DIP Facility, which allowed the Debtors to continue their business activities in the ordinary course. The Debtors also sought and obtained Bankruptcy Court approval through certain "first day" motions and subsequent motions, for authority to continue to meet their employee obligations, maintain the cash management system, create certain case management procedures, and otherwise received authority to address various operational issues. The Debtors subsequently obtained approval from the Bankruptcy Court to bring current and to continue to make payments on account of their minimum funding obligations related to their pension plans, and approval to pay the balance owing under certain incentive plans that accrued pre-petition.

On July 18, 2008, the Debtors filed their schedules of assets and liabilities and their statements of financial affairs in the U.S. Proceedings. On September 19, 2008, the Debtors filed an application with the Bankruptcy Court for an order establishing procedures for filing proofs of claims and seeking to establish December 5, 2008 at 5:00 p.m. (prevailing Eastern Time) as the bar date by which all creditors must file proofs of their respective claims and interests against the Debtors, which application was approved by the Bankruptcy Court on September 29, 2008 (the "Bar Date Order"). On each of April 27, 2009 and May 22, 2009, the Debtors provided notice (the "Supplemental Bar Date Notice") of a supplemental bar date (as provided for under the Bar Date Order) to the individuals set forth on Exhibit A of each Supplemental Bar Date Notice. Each Supplemental Bar Date Notice, which requires the filing of proofs of claim on or before the specific date provided for therein, is only applicable to those individuals set forth on Exhibit A to each Supplemental Bar Date. In addition to the general claims process, the Debtors have also, by motions to the Bankruptcy Court in November and December 2008, sought to establish a separate process for determining potential sales tax claims against certain of the Debtors.

Preliminary reports indicate that approximately 9,200 claims have been filed against the Debtors to-date, a portion of which assert, in whole or in part, unliquidated claims. In the aggregate, the total proofs of claims asserted against the Debtors, together with claims filed in the Canadian Proceeding, have a dollar value of approximately \$48 billion, plus certain unliquidated amounts. Although the Debtors have not yet completed the process of reviewing and reconciling these proofs of claim and thus the ultimate amount of such liabilities is not determinable at this time, the Debtors anticipate that the aggregate amount of claims filed is likely to exceed the amount that will ultimately be allowed by the Bankruptcy Court. The determination of how liabilities will ultimately be settled and treated cannot be made until the Bankruptcy Court approves a Chapter 11 plan or plans of reorganization. Classification for the purposes of these financial statements of any prepetition liabilities on any basis other than liabilities subject to compromise is not an admission against interest or legal conclusion by the Debtors as to the manner or classification, treatment, allowance, or payment in the Debtors' Chapter 11 Cases of these liabilities, including in connection with any plan or plans of reorganization that may be confirmed by the Bankruptcy Court and that may become effective pursuant to the Bankruptcy Court's order.

Under the Bankruptcy Code, the Debtors have the right to assume, assume and assign, or reject certain executory contracts and unexpired leases, subject to the approval of the Bankruptcy Court and certain other conditions. Parties to executory contracts or unexpired leases rejected by a Debtor may file proofs of claim against that Debtor's estate for damages. Due to ongoing evaluation of contracts for assumption or rejection and the uncertain nature of many of the potential claims for damages, the Debtors' cannot project the magnitude of these potential claims at this time.

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On April 7, 2008, the Debtors filed a motion with the Bankruptcy Court seeking an extension of the period during which the Debtors have the exclusive right to file a plan or plans of reorganization from May 20, 2008 to September 30, 2008, and an extension of the deadline by which the Debtors have the exclusive right to solicit acceptances to November 28, 2008. By a series of motions, the Debtors moved from time to time to further extend these exclusivity periods, and now have the exclusive right to file and solicit acceptances on account of any such plan or plans of reorganization through July 21, 2009.

During the U.S. Proceedings, the Debtors have continued to manage their affairs in the ordinary course and have been actively working with their customers, suppliers and other vendors in order to stabilize the ongoing operations of their respective businesses. Consistent therewith, the Debtors have entered into significant new customer contracts, such as a new agreement with Simon & Schuster, Inc., a long term contract extension of a printing agreement with R.D. Manufacturing Corporation, a subsidiary of Readers Digest, and an extended and expanded agreement with Dex Media Inc. and Parade Publications, a division of Advance Magazine Publishers Inc., an extension of the printing agreement with Bed Bath & Beyond, Inc., an extension of the manufacturing agreement with Yellow Book USA, Inc., an extension of the commercial product agreement with United Stationers Supply Co and a multi-year extension of a printing agreement with Disney Book Group, LLC. The Debtors have also taken steps to enhance their business operations, including entry into a significant new lease to consolidate and expand their Logistics and Co-Mailing operations in New Jersey, and the entry into contracts with manroland, Inc. for the purchase of new state of the art presses that will enhance the Debtors' ability to provide quality services to their customers. The Debtors have sought to realize value from assets no longer deemed necessary to their going forward operations, and to that end, sold a Challenger 604 aircraft for an amount significantly in excess of the cost of such aircraft. Finally, the Debtors have also taken steps to consolidate certain operations to more efficiently service the needs of their customers, including the closure of their operations in North Haven, Connecticut, which will realize significant savings to the Debtors over time, although there will be short-term extraordinary severance costs associated with the closure. During the month of June 2008, the Debtors and QWI also successfully negotiated and closed on the sale of their European operations, which was approved at a joint hearing in both the U.S. Proceedings and Canadian Proceedings on June 17, 2008. In July 2008, the Debtors also received the approval of the Bankruptcy Court to implement an enhanced management incentive compensation plan that will be effective through June 2009.

On September 19, 2008, the Creditors' Committee in the U.S. Proceedings filed on behalf of the Debtors' estates an adversary proceeding against the defendants named therein an action seeking to avoid and recover approximately \$376 million in alleged preference payments made to such defendants. This adversary proceeding was filed under Case No. 08-01417.

On January 16, 2009, the Creditors' Committee filed on behalf of the Debtors' estates two additional adversary proceedings. These actions seek to avoid and/or recover certain Guarantees and Collateral, as defined therein, that were delivered to the defendants named therein. These adversary proceedings were filed under Case Nos. 09-01012 (the "Syndicate Adversary Proceeding") and 09-01013.

Most significantly, after several months of intensive negotiations with the Creditors' Committee and their other major creditor constituencies, on April 19, 2009, the Debtors filed their proposed plan of reorganization (as amended or supplemented from time to time, the "Plan") and related disclosure statement (as amended or supplemented from time to time, the "Disclosure Statement") with the Bankruptcy Court. On May 5, 2009, May 15, 2009 and May 18, 2009, the Debtors filed amended versions of each of the Plan and Disclosure Statement. A copy of these documents can be obtained at no cost from Donlin, Recano & Company's website at www.qwusadocket.com or for a fee from the Bankruptcy Court's website at <http://ecf.nysb.uscourts.gov>.

The Plan includes detailed information regarding the treatment of claims and interests in these Chapter 11 Cases. The Disclosure Statement contains detailed information about the Plan, a historical profile of the Debtors' business, a description of proposed distributions to creditors, and an analysis of the Plan's feasibility, as well as many of the technical matters required for the exit process, such as descriptions of who will be eligible to vote on the Plan and the voting process itself. The information contained in the Disclosure Statement is subject to change, whether as a result of amendments to the Plan, actions by third parties or otherwise.

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The Plan, together with the plan of reorganization and compromise filed by QWI in the Canadian Proceedings (the "Canadian Plan"), provides for the limited consolidation of the Debtors and QWI for purposes of voting on the Plan and making distributions to creditors thereunder. In addition, under the Plan, as part of a proposed compromise with the Royal Bank of Canada, as administrative agent on behalf of the syndicate of prepetition lenders (the "Syndicate"), the Creditors' Committee will dismiss the Syndicate Adversary Proceeding upon the Effective Date (as defined in the Plan) in consideration of the transfer of a portion of the Syndicate's recovery under the Plan to the Class 4 Claimants, as defined and provided for under the Plan. However, there can be no assurance that the Plan will become effective and the compromise implemented.

On April 20, 2009, the Debtors filed a motion (the "Solicitation Procedures Motion") seeking approval of, among other things, the Disclosure Statement; solicitation and voting procedures with respect to the Plan; an extension the Debtors' exclusive period to solicit acceptances of the Plan; and other procedures with respect to the Plan and establishing certain dates in connection therewith.

On May 7 and 8, 2009, the Bankruptcy Court and the Canadian Court, respectively, entered orders authorizing the Debtors and QWI to enter an engagement letter with Credit Suisse Securities (USA) LLC, GE Capital Markets, Inc. and Wachovia Capital Markets LLC (collectively, the "Lead Arrangers"), pursuant to which these Lead Arrangers would use commercially reasonable efforts to arrange an exit financing facility in an aggregate principal amount of up to \$750 million that would consist of both a revolving credit facility and a term loan facility. The engagement letter does not create any binding obligation or commitment on the part of the financial institutions to enter into any agreement with or provide any financing to QWI or the Debtors.

On May 18, 2009, the Bankruptcy Court entered an order approving the Solicitation Procedures Motion, which approved the form and substance of the Disclosure Statement and provided, *inter alia*, procedures for voting on the Plan and set June 30, 2009 as the date for the confirmation hearing on the Plan. Although the confirmation hearing has been scheduled for June 30, 2009, there can be no guarantee or assurance that the hearing will take place on this day.

The order entered on May 18, 2009 approving the Solicitation Procedures Motion also provides that the Debtors have the exclusive right until July 21, 2009, to solicit acceptance of the Plan. Although the Bankruptcy Court has extended the exclusive period, the Bankruptcy Court retains the power to terminate this period, and the Debtors can make no assurance that the Bankruptcy Court will not do so. Furthermore, although the Bankruptcy Court approved the solicitation procedures with respect to the Plan, there can also be no assurance that the Bankruptcy Court will confirm the Plan, that such Plan will be consummated, or that it will be implemented successfully. Even if the Plan receives the requisite approval and is confirmed by the Bankruptcy Court, the Debtors' Plan depends, among other things, on the Debtors' ability to secure an emergence financing commitment, to make payments required to be made on or around the effective date of the Plan, and to fund its operations post-emergence. Nothing contained herein is intended to be, nor should it be construed as, a solicitation for a vote on the Plan, as filed or as it may be amended.

On May 12, 2009, the Debtors received an unsolicited non-binding conditional indication of interest (as revised, the "Indication of Interest") from R.R. Donnelley & Sons Company ("RRD") to acquire all or substantially all of the assets of QWI and the Debtors. Thereafter, QWI and the Debtors, in consultation with representatives of the Creditors' Committee and their other major stakeholders, engaged in discussions and limited due diligence with RRD, which resulted in RRD revising its Indication of Interest on June 2, 2009, and again on June 8, 2009. After reviewing the final revised Indication of Interest submitted by RRD on June 8, 2009, all members of the board of directors of QWI determined to be independent for such purpose concluded that the consideration to be received by creditors under the Plan and the Canadian Plan represents a superior recovery than would be obtained by the consummation of the transaction contemplated by the Indication of Interest. Thereafter, by its press release issued on June 10, 2009, RRD confirmed the expiration of its Indication of Interest.

At this time, it is not possible to accurately predict the effects of the reorganization process on the business of the Debtors, or if and when some or all of the Debtors may emerge from bankruptcy. The prospects for future results depend on the timely and successful confirmation and implementation of a plan or plans of reorganization. The ultimate recovery, if any, that creditors and equity security holders receive will not be determined until confirmation of a plan or plans of reorganization and the consummation thereof. No assurance can be given as to what values, if any, will be

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS

For the period from March 1 to 28, 2009

ascribed in these bankruptcy cases to the interests of each of the various creditor and equity or other security holder constituencies.

As a result of the Debtors' bankruptcy filings and the other matters described herein, including the uncertainties related to the fact that the Debtors have not yet received approval of the Plan or any successor plan or plans of reorganization by the Bankruptcy Court, there is no certainty about the Debtors' ability to continue as a going concern. The Debtors' ability to continue as a going concern, including their ability to meet their ongoing operational obligations, is dependent upon, among other things: (i) the Debtors' ability to maintain adequate cash on hand; (ii) the Debtors' ability to generate cash from operations; (iii) the cost, duration and outcome of the restructuring process; (iv) the Debtors' ability to comply with the DIP Facility agreement; and (v) the Debtors' ability to achieve profitability following a restructuring. These challenges are in addition to those operational and competitive challenges faced by the Debtors in connection with their business. In conjunction with the Debtors' advisors, the Debtors are working to design and implement strategies to ensure that the Debtors maintain adequate liquidity sufficient to continue as a going concern. However, there can be no assurance as to the success of such efforts.

2. Basis of Presentation

These unaudited combined financial statements are limited in scope, cover a limited time period, and have been prepared solely for the purpose of complying with the Debtors' monthly reporting requirements. The unaudited combined financial statements include financial information of the Debtors, together with their U.S. subsidiaries that have not filed for bankruptcy relief under Chapter 11 of the U.S. Bankruptcy Code. The Debtors believe that the inclusion of their non-debtor subsidiaries in their financial statements is not material to the results reported. Inter-company balances between these entities have been eliminated in these unaudited combined financial statements.

The financial information in these unaudited combined financial statements is preliminary and has been derived from the books and records of the Debtors. This information, however, has not been subjected to procedures that would typically be applied to financial information presented in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"), and therefore may exclude items required by GAAP, such as certain reclassifications, eliminations, accruals, restructuring charges, reorganization items, impairment of asset and disclosure items. Upon the application of such procedures, the Debtors believe that the financial information could be subject to changes, and these changes could be material. The information furnished in these unaudited combined financial statements includes primarily normal, recurring and certain information and footnote disclosures normally included in financial statements have been omitted. Undue reliance should not be placed upon these unaudited combined financial statements, as there can be no assurance that such information is complete, and these unaudited combined financial statements may be subject to revision. These unaudited combined financial statements are in a format intended to be in compliance with the requirements of the Office of the U.S. Trustee and should not be used for investment purposes.

Except for as otherwise noted, these unaudited combined financial statements have been prepared using the same GAAP as applied to the Debtors prior to the Bankruptcy Proceedings of QWI and the Debtors. These unaudited combined financial statements have been prepared in accordance with the accounting policies and methods used in QWI's consolidated financial statements for the year ended December 31, 2008. However, these combined financial statements do not include all disclosures required under GAAP and accordingly should be read in conjunction with QWI's consolidated financial statements, and the notes thereto, for the year ended December 31, 2008 that were filed with the Canadian Securities Commissions on March 27, 2009.

While the Debtors have filed for and been granted bankruptcy protection under the Bankruptcy Proceedings, these unaudited combined financial statements continue to be prepared assuming that the Debtors continue as a going concern, and assume that the Debtors will be able to realize assets and discharge liabilities in the normal course of business for the foreseeable future. The U.S. Proceedings provide the Debtors with a period of time to stabilize their operations and financial condition and develop a plan or plans of reorganization. The fact that the DIP Facility has been approved in both the Canadian Proceeding and U.S. Proceeding, and is currently available to the Debtors, subject to borrowing conditions, as described in Note 6, supports the preparation of these unaudited combined financial statements on a going concern basis. However, it is not possible to predict the outcome of these Bankruptcy Proceedings and, as such, the realization of assets and discharge of liabilities is subject to significant uncertainty.

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Accordingly, substantial doubt exists as to whether the Debtors will be able to continue as a going concern. Further, it is not possible to predict whether the actions taken in any restructuring will result in improvements to the financial condition of the Debtors sufficient to allow them to continue as a going concern. If the going concern basis is not appropriate, adjustments will be necessary to the carrying amounts and/or classification of assets and liabilities, and expenses in these combined financial statements.

Accounting Policies Applicable to an Entity under Creditor Protection

As a result of the Bankruptcy Proceedings, the Debtors will follow accounting policies, including disclosure items, applicable to entities that are under creditor protection. In addition to GAAP, the Debtors are applying the guidance in the American Institute of Certified Public Accountants Statement of Position 90-7, "Financial Reporting by Entities in Reorganization under the Bankruptcy Code" (SOP 90-7) where it does not conflict with Canadian GAAP.

Consistent with GAAP, SOP 90-7 does not change the manner in which financial statements are prepared. However, SOP 90-7 does require that the financial statements for periods subsequent to the filing distinguish transactions and events that are directly associated with the reorganization from the ongoing operations of the business. Revenues, expenses, gains and losses, and provisions for losses that can be directly associated with the reorganization and restructuring of the business will be reported separately as reorganization items. The timing of the recognition of reorganization items is consistent with GAAP. Cash flows related to reorganization items are disclosed separately on a quarterly basis.

While payments may not be made on liabilities subject to compromise, including long-term debt, interest on debt obligations will continue to be recognized under GAAP. Interest is not a reorganization item. The unaudited combined balance sheet distinguishes pre-filing liabilities subject to compromise from both those pre-filing liabilities that are not subject to compromise and from post-filing liabilities (see Note 4). Liabilities that may be affected by the plan or plans of reorganization may be settled for lesser amounts.

Financial statements that include one or more entities in reorganization proceedings and one or more entities not in reorganization proceedings are required to include disclosure of entities in reorganization proceedings, including disclosure of the amount of inter-company receivables and payables therein. The Debtors' U.S. subsidiaries that have not filed for bankruptcy relief under Chapter 11 of the U.S. Bankruptcy Code are immaterial. In accordance with the agreement among the Debtors and the Office of the U.S. Trustee, this financial information has not been shown separately in the unaudited combined financial statements.

SOP 90-7 has been applied effective January 21, 2008, and for subsequent reporting periods while the Debtors continue to operate under creditor protection.

Seasonality

The operations of the Debtors' businesses are seasonal, with the majority of historical operating income recognized in the second half of the fiscal year, primarily as a result of the higher number of magazine pages, new product launches and back-to-school, retail and holiday catalogue promotions. Within any year, the seasonality could adversely affect the Debtors' cash flow and results of operations on a quarterly basis.

3. Restructuring and Other Charges

The following table details the Debtors' restructuring and other charges and the change in the reserve for restructuring and other charges:

	Note	2009
Restructuring and other charges	\$	13.2
	\$	13.2

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As of March 28, 2009			
	2009 Initiatives	Prior Year Initiatives	Total
Expenses			
Workforce reduction	\$ 12.4	\$ 0.5	\$ 12.9
Leases and carrying costs for closed facilities	-	1.0	1.0
	12.4	1.5	13.9
Underspending			
Workforce reduction	-	(0.7)	(0.7)
Leases and carrying costs for closed facilities	-	-	-
	-	(0.7)	(0.7)
Total expenses	12.4	0.8	13.2
Payments			
Workforce reduction	(1.2)	(3.2)	(4.4)
Leases and carrying costs for closed facilities	-	(1.4)	(1.4)
	(1.2)	(4.6)	(5.8)
Net change	11.2	(3.8)	7.4
Balance, beginning of period	-	16.2	16.2
Balance, end of period	\$ 11.2	\$ 12.4	\$ 23.6

2009 restructuring initiatives

During the first quarter of 2009, the restructuring initiatives were related to the closure of the Memphis, TN facility, completed in April 2009, to the closure of the Covington, TN facility, which will be completed in the third quarter of 2009 and to various headcount reductions. Certain employees of these facilities were participants of multiemployer pension plans and, due to insufficient information, the Corporation cannot reasonably estimate the amount of the employer withdrawal liability. The total cost expected is \$23.2 million. These initiatives are expected to be mostly completed by the end of 2009 for an additional cost of \$1.7 million in workforce reduction and \$9.1 million in leases and carrying costs for closed facilities.

As at March 28, 2009, the balance of the restructuring reserve was \$23.6 million of which \$9.2 million is presented as liabilities subject to compromise (Note 4). The total cash disbursement related to this reserve is expected to be \$14.4 million in 2009.

4. Liabilities Subject to Compromise

Liabilities subject to compromise refers to liabilities incurred prior to the Petition Date that may be dealt with as affected claims under a plan or plans of reorganization in the Chapter 11 proceedings, as well as claims arising out of any repudiated leases, contracts, and other arrangements. It is possible that unaudited combined financial statement items

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not currently included below as liabilities subject to compromise will be added or reclassified to this category of liabilities at a later date. The amounts below are the liabilities subject to compromise as of March 28, 2009 and are subject to future adjustment as a result of negotiations, Court orders, proofs of claim, and other events. Any additions to this category of liabilities and any adjustments may be material and, depending on their nature, may be recorded as a reorganization adjustment. The plan or plans of reorganization will determine how a particular class of affected claims will be settled, including payment terms, if applicable.

These combined financial statements do not include the inter-company liabilities between the U.S. subsidiaries and affiliates as these are eliminated in the preparation of the unaudited combined financial statements. However, depending on the ultimate determination and approval of the plan or plans of reorganization, certain of these liabilities, including amounts between entities that have not filed for bankruptcy relief under Chapter 11 and those that have filed, may be subject to compromise and these amounts may be material.

The Debtors continue to accrue for interest on unsecured debt that is subject to compromise. No interest has been paid on unsecured debt of the Debtors subsequent to January 21, 2008, the date of commencement of the Bankruptcy Proceedings.

	(in millions)
Accounts payable and accrued liabilities	\$ 230.8
Long-term debt	\$ 1,613.9
Payables to related parties	\$ 900.5
Post-filing interest	\$ 253.1
Liabilities subject to compromise	\$ 2,998.3

5. Reorganization Items

Reorganization items represent post-filing revenue, expenses, gains and losses, and provisions for losses that can be directly associated with the reorganization and restructuring of the Debtors. The following table outlines amounts that have been included in the Combined Statement of Loss and Comprehensive Loss for the period:

	(in millions)
Professional fees and other expenses	\$ 2.7
	\$ 2.7

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6. Long-term Debt

The following table summarizes long-term debt:

	<i>(in millions)</i>
DIP Term Loan	\$ 491.8
Other long-term debt	61.5
	\$ 553.3
Current portion of long-term debt	500.4
Long-term debt	\$ 52.9

As part of the Bankruptcy Proceedings, the Bankruptcy Court and the Canadian Court approved the DIP Facility. The DIP Facility is comprised of both a revolving credit facility with sub-facilities for Canadian dollar borrowings, swing line loans and issuance of letters of credit for an aggregate maximum commitment of the lenders of \$400 million (the "Revolving DIP Facility") bearing interest at variable rates based on Base rate or Eurodollar, as defined, plus applicable margin and a \$600 million term loan ("DIP Term Loan") bearing interest at variable rates based on Base rate, Eurodollar, Canadian Bankers' Acceptance rate or Canadian prime rate plus applicable margin, which was fully drawn following the interim order approving the DIP Facility of the Bankruptcy Court, dated January 23, 2008 (the "Interim DIP Order"). The effective interest rate on the DIP Credit Agreement as of March 28, 2009 was 8.25%. On June 30, 2008 QWI repaid \$74.5 million of the Canadian borrowings under the DIP Term Loan, and accordingly, the maximum commitment under this facility was reduced to \$525.5 million.

The DIP Facility contains certain restrictive financial and operating covenants.

Amounts borrowed under the DIP Term Loan and repaid or prepaid may not be borrowed again. Under the Revolving DIP Facility, the availability of funds is determined by a formula based on a percentage of eligible assets available as security. From the date of the Interim DIP Order up to the date of the final order of the Bankruptcy Court dated April 1, 2008 (the "Final DIP Order"), the maximum availability under the Revolving DIP Facility was \$150 million. As at March 28, 2009, the Debtors had not drawn on the Revolving DIP Facility. The unused portion of the DIP Facility is subject to a commitment fee of 0.50% per annum on the unused portion.

The DIP Facility is secured by a perfected lien on, and security interest in, all present and after-acquired property of QWI and the Debtors. The liens securing the DIP Facility are junior to the liens securing the syndicated revolving bank facility with Royal Bank of Canada as administrative agent and its equipment financing credit facility with Société Générale (Canada) as lender up to an aggregate amount of \$170 million, which were granted prior to the Petition Date, to the extent such liens are valid, perfected and not voidable. The DIP Facility is also guaranteed by substantially all of QWI's direct and indirect subsidiaries.

The DIP Facility matures on the earliest to occur of (a) July 21, 2009 and (b) the substantial consummation of a plan or plans of reorganization. The DIP Facility may be prepaid or accelerated upon the occurrence of an event of default and contains mandatory prepayments including, among other things, the net proceeds of certain asset sales, issuance of debt securities and certain extraordinary receipts.

Should the Canadian Court refuse to grant further extensions of the stay period in the Canadian Proceedings, this would constitute an event of default under the DIP Facility and the debt would become due and payable immediately, which would, in all likelihood, lead to the liquidation of all the Debtors' assets.

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7. Pension and Other Postretirement Benefits

The following table presents the Debtors' pension and other postretirement benefit costs:

	<i>(in millions)</i>
Pension benefits (net of corporate initiatives)	\$ (1.1)
Total benefit cost	\$ (1.1)

Schedule I
QUEBECOR WORLD (USA) INC., et al
(Debtor-in-Possession)
Case No. 08-10152 (Jointly Administered)
SCHEDULE OF PAYROLL AND PAYROLL TAXES
(in thousands)
For the period from March 1 to 28, 2009

Gross Wages Incurred*	Employee Payroll Taxes Withheld**	Employer Payroll Taxes Remitted**
\$	\$	\$
\$60,763.4	\$13,807.0	\$19,029.1

* Gross Wages were paid by the Debtors throughout the month.

** Employee Payroll Taxes are withheld each pay period and remitted by the Debtors, together with the Employer Payroll Taxes, to the appropriate tax authorities.

Schedule II
QUEBECOR WORLD (USA) INC., et al
(Debtor-in-Possession)
Case No. 08-10152 (Jointly Administered)
SCHEDULE OF FEDERAL, STATE AND LOCAL TAXES
COLLECTED, RECEIVED, DUE OR WITHHELD
(in thousands)
For the period from March 1 to 28, 2009

	Amount Withheld/Accrued \$	Amount Paid (Received) \$
Federal and state income taxes	-	-
State and local taxes:	\$100	\$642
Property	\$1,288	\$780
Sales and use	(\$301)	\$563
Franchise	\$92	-
Other	-	-
Total state and local	\$1,179	\$1,985
Total taxes	\$1,179	\$1,985

Schedule III

QUEBECOR WORLD (USA) INC., et al
(Debtor-in-Possession)
Case No. 08-10152 (Jointly Administered)
SCHEDULE OF TOTAL DISBURSEMENTS BY DEBTOR *
(in thousands)
For the period from March 1 to 28, 2009

Legal Entity	Case Number	Disbursements
QUEBECOR WORLD (USA) INC.	08-10152	19,264
QUEBECOR WORLD CAPITAL II LLC	08-10153	0
QUEBECOR WORLD CAPITAL CORPORATION	08-10154	0
QUEBECOR WORLD CAPITAL II GP	08-10155	0
QUEBECOR PRINTING HOLDING COMPANY	08-10156	0
QUEBECOR WORLD JOHNSON & HARDIN CO.	08-10157	6,209
QUEBECOR WORLD BUFFALO INC.	08-10158	0
QUEBECOR WORLD SAN JOSE INC.	08-10159	3,377
QUEBECOR WORLD NORTHEAST GRAPHICS INC.	08-10160	45
QUEBECOR WORLD UP/GRAPHICS INC.	08-10161	0
QUEBECOR WORLD GREAT WESTERN PUBLISHING INC.	08-10162	6,049
QUEBECOR WORLD DB ACQUISITION CORP.	08-10163	0
QUEBECOR WORLD LOVELAND INC.	08-10164	2,978
QW MEMPHIS CORP.	08-10165	31,701
QUEBECOR WORLD ARCATA CORPORATION	08-10166	0
QUEBECOR WORLD SYSTEMS INC.	08-10167	0
QUEBECOR WORLD RETAIL PRINTING CORP.	08-10168	5,078
QUEBECOR WORLD PRINTING (USA) CORP.	08-10169	0
THE WEBB COMPANY	08-10170	0
QUEBECOR WORLD TACONIC HOLDINGS INC.	08-10171	0
WCZ, LLC	08-10172	0
QUEBECOR WORLD NEVADA INC.	08-10173	3,367
QUEBECOR WORLD LEASE GP	08-10174	0
WCP-D, INC.	08-10175	1,447
QUEBECOR WORLD KRUEGER ACQUISITION CORP.	08-10176	0
QUEBECOR WORLD BOOK SERVICES LLC	08-10177	8,241
QUEBECOR WORLD DUBUQUE INC.	08-10178	4,687
QUEBECOR WORLD PENDELL INC.	08-10179	5,240
QUEBECOR WORLD FAIRFIELD INC.	08-10180	8,023
QUEBECOR WORLD NEVADA II LLC	08-10181	0
QW NEW YORK CORP.	08-10182	5,754
QUEBECOR WORLD MT. MORRIS II LLC	08-10183	5,383
QUEBECOR WORLD ATGLEN INC.	08-10184	11,887
QUEBECOR WORLD HAZLETON INC.	08-10185	3,479
QUEBECOR WORLD ATLANTA II LLC	08-10186	2,399
QUEBECOR WORLD MEMPHIS LLC	08-10187	0
QUEBECOR WORLD MAGNA GRAPHIC INC.	08-10188	332
QUEBECOR WORLD DALLAS, L.P.	08-10189	3,290
QUEBECOR WORLD LINCOLN INC.	08-10190	0
QUEBECOR WORLD OLIVE BRANCH INC.	08-10191	2,915
QUEBECOR WORLD PETTY PRINTING INC.	08-10192	7,441
QUEBECOR WORLD RAI INC.	08-10193	5,833
QUEBECOR WORLD WAUKEE INC.	08-10194	3,064
QUEBECOR WORLD EUSEY PRESS INC.	08-10195	3,455
QUEBECOR PRINTING AVIATION INC.	08-10196	0
QUEBECOR WORLD CENTURY GRAPHICS CORPORATION	08-10197	4,677
QUEBECOR WORLD DALLAS II INC.	08-10198	0
QUEBECOR WORLD DITTLER BROTHERS INC.	08-10199	336
QUEBECOR WORLD INFINITI GRAPHICS INC.	08-10200	3,577
QUEBECOR WORLD KRI INC.	08-10201	14,941
QUEBECOR WORLD LOGISTICS INC.	08-10202	14,060
QUEBECOR WORLD MID-SOUTH PRESS CORPORATION	08-10203	5,817
QUEBECOR WORLD LEASE LLC	08-10204	0
		204,346

* As agreed to with the Office of the U.S. Trustee, the above disbursements by Debtor have been established based on an allocation of the total Debtors' disbursement on a prorata of the respective operating expenses.

Schedule IV
QUEBECOR WORLD (USA) INC., *et al*
(Debtor-in-Possession)
Case No. 08-10152 (Jointly Administered)
INSURANCE STATEMENT
For the period from March 1 to 28, 2009

All insurance policies are fully paid for the current period, including amounts owed for workers' compensation and disability insurance.