

Comparison of Cash Flow Results to Cash Flow Forecast

For the Eleven Weeks Ended May 3, 2009

(US\$ Millions) (See Accompanying Notes)

Week Ended	Notes	Actual Cash Flow Results											Total
		Feb 22	Mar 01	Mar 08	Mar 15	Mar 22	Mar 29	Apr 05	Apr 12	Apr 19	Apr 26	May 03	
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	
RECEIPTS													
Accounts Receivable Collections and Other Inflows	(1)(2)	56	71	62	61	64	57	60	54	57	58	55	655
Sale of Assets	(3)	-	-	1	-	-	-	-	-	-	-	-	1
Total Receipts		56	71	63	61	64	57	60	54	57	58	55	656
DISBURSEMENTS													
Paper and Other Purchases	(4)	(29)	(27)	(35)	(23)	(36)	(30)	(30)	(26)	(31)	(20)	(32)	(312)
Ink Purchases	(5)	(5)	(2)	(5)	(4)	(7)	(2)	(3)	(3)	(5)	(4)	(4)	(44)
Change in Outstanding Cheques	(4)(6)	-	(3)	7	(4)	5	(1)	1	(3)	2	(2)	(2)	-
Customer Incentives and Rebates	(7)	(2)	-	(1)	-	-	-	-	-	-	-	(1)	(4)
Payroll, Benefits, and Payroll Taxes	(8)	(15)	(18)	(14)	(18)	(17)	(20)	(17)	(16)	(17)	(18)	(15)	(185)
Workers Compensation Premiums		-	(1)	-	(14)	-	-	-	-	-	-	-	(15)
Pension Contributions		-	-	-	-	-	-	-	-	(5)	-	-	(5)
Professional Fees		(1)	(1)	(2)	(4)	-	(1)	(2)	(3)	-	(1)	(2)	(17)
Capital Expenditures	(9)	(1)	(2)	(1)	(1)	(1)	(2)	(3)	(1)	-	(3)	(1)	(16)
DIP Fees and Interest		-	-	(4)	-	-	-	(4)	-	-	-	(4)	(12)
Other Disbursements	(10)	(3)	(5)	(12)	(4)	-	(1)	(4)	-	-	(1)	(1)	(31)
Total Disbursements		(56)	(59)	(67)	(72)	(56)	(57)	(62)	(52)	(56)	(49)	(62)	(648)
Net Cash Flow from Operations		-	12	(4)	(11)	8	-	(2)	2	1	9	(7)	8
DIP Advances / (Repayments)	(11)	-	17	(7)	-	4	4	3	-	3	3	6	33
Estimated Non-Petitioners Financing Requirement		-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Translation		1	-	-	-	-	-	-	-	-	-	-	1
Cash Collateral Paid		-	-	-	-	-	-	-	-	-	-	-	-
NET CASH FLOW		1	29	(11)	(11)	12	4	1	2	4	12	(1)	42
Opening Unrestricted Cash Position		200	201	230	219	208	220	224	225	227	231	243	200
CLOSING UNRESTRICTED CASH POSITION		201	230	219	208	220	224	225	227	231	243	242	242
Cash Collateral Held by Cash Management Bank		41	40	40	40	41	41	41	41	41	41	41	41
Closing Cash Position	(12)	242	270	259	248	261	265	266	268	272	284	283	283
DIP LOAN													
<i>Continuity Roll Forward</i>													
Opening DIP Position		562	563	577	570	570	574	579	582	583	586	589	
Advances / (Repayments)		-	17	(7)	-	4	4	3	1	3	3	6	
Letters of Credit Issued		-	(3)	-	-	-	1	-	-	-	-	-	
Foreign Currency Translation		1	-	-	-	-	-	-	-	-	-	-	
Closing DIP Position		563	577	570	570	574	579	582	583	586	589	595	
<i>Outstanding Advances by Facility</i>													
Term Loan		526	526	526	526	526	526	526	526	526	526	526	
Revolving Loan		18	35	28	28	32	36	39	40	43	46	52	
Letters of Credit	(13)	19	16	16	16	16	17	17	17	17	17	17	
Closing DIP Position		563	577	570	570	574	579	582	583	586	589	595	
AVAILABLE LIQUIDITY													
Unrestricted Cash Position		201	230	219	208	220	224	225	227	231	243	242	
Revolving DIP Loan													
Lesser of:													
(i) Gross Borrowing Base		273	273	273	252	252	252	252	252	227	227	227	
(ii) Facility Limit		400	400	400	400	400	400	400	400	400	400	400	
Less: Outstanding Letters of Credit		(19)	(16)	(16)	(16)	(16)	(17)	(17)	(17)	(17)	(17)	(17)	
Less: Outstanding Revolver		(18)	(35)	(28)	(28)	(32)	(36)	(39)	(40)	(43)	(46)	(52)	
Available from Revolving DIP Loan		236	222	229	208	204	199	196	195	167	164	158	
Total Available Liquidity		437	452	448	416	424	423	421	422	398	407	400	

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(US\$ Millions) (See Accompanying Notes)

Week Ended	Notes	Cash Flow Forecast											Total
		Feb 22	Mar 01	Mar 08	Mar 15	Mar 22	Mar 29	Apr 05	Apr 12	Apr 19	Apr 26	May 03	
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	
RECEIPTS													
Accounts Receivable Collections and Other Inflows	(1)(2)	65	59	57	57	58	57	63	63	65	63	62	669
Sale of Assets	(3)	-	1	-	-	-	-	-	-	-	-	-	1
Total Receipts		65	60	57	57	58	57	63	63	65	63	62	670
DISBURSEMENTS													
Paper and Other Purchases	(4)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(374)
Ink Purchases	(5)	(4)	(7)	(5)	(5)	(3)	(9)	(5)	(5)	(5)	(4)	(9)	(61)
Change in Outstanding Cheques	(4)(6)	-	-	-	-	-	-	-	-	-	-	-	-
Customer Incentives and Rebates	(7)	(2)	(2)	(5)	(2)	(1)	-	-	-	-	-	-	(12)
Payroll, Benefits, and Payroll Taxes	(8)	(18)	(19)	(18)	(19)	(18)	(19)	(18)	(19)	(18)	(19)	(18)	(203)
Workers Compensation Premiums		-	(1)	-	(14)	-	-	-	-	-	-	-	(15)
Pension Contributions		-	-	-	-	-	-	-	-	(5)	-	-	(5)
Professional Fees		(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(11)
Capital Expenditures	(9)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(22)
DIP Fees and Interest		-	-	(4)	-	-	-	(4)	-	-	-	-	(8)
Other Disbursements	(10)	(3)	(8)	(16)	(1)	-	-	(3)	-	-	-	(2)	(33)
Total Disbursements		(64)	(74)	(85)	(78)	(59)	(65)	(67)	(61)	(65)	(60)	(66)	(744)
Net Cash Flow from Operations		1	(14)	(28)	(21)	(1)	(8)	(4)	2	-	3	(4)	(74)
DIP Advances / (Repayments)	(11)	-	5	11	2	-	-	-	-	-	-	-	18
Estimated Non-Petitioners Financing Requirement		-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Translation		-	-	-	-	-	-	-	-	-	-	-	-
Cash Collateral Paid		-	-	-	-	-	-	-	-	-	-	-	-
NET CASH FLOW		1	(9)	(17)	(19)	(1)	(8)	(4)	2	-	3	(4)	(56)
Opening Unrestricted Cash Position		200	201	192	175	156	155	147	143	145	145	148	200
CLOSING UNRESTRICTED CASH POSITION		201	192	175	156	155	147	143	145	145	148	144	144
Cash Collateral Held by Cash Management Bank		41	41	41	41	41	41	41	41	41	41	41	41
Closing Cash Position	(12)	242	233	216	197	196	188	184	186	186	189	185	185
DIP LOAN													
<i>Continuity Roll Forward</i>													
Opening DIP Position		562	562	567	578	592	592	592	591	591	591	591	
Advances / (Repayments)		-	5	11	2	-	-	-	-	-	-	-	
Letters of Credit Issued		-	-	-	12	-	-	(1)	-	-	-	-	
Foreign Currency Translation		-	-	-	-	-	-	-	-	-	-	-	
Closing DIP Position		562	567	578	592	592	592	591	591	591	591	591	
<i>Outstanding Advances by Facility</i>													
Term Loan		526	526	526	526	526	526	526	526	526	526	526	
Revolving Loan		17	23	34	36	36	36	36	36	36	36	36	
Letters of Credit	(13)	19	19	19	31	31	31	30	30	30	29	29	
Closing DIP Position		562	567	578	592	592	592	591	591	591	591	591	
AVAILABLE LIQUIDITY													
Unrestricted Cash Position		201	192	175	156	155	147	143	145	145	148	144	
Revolving DIP Loan													
Lesser of:													
(i) Gross Borrowing Base		273	273	273	268	268	268	268	268	267	267	267	
(ii) Facility Limit		400	400	400	400	400	400	400	400	400	400	400	
Less: Outstanding Letters of Credit		(19)	(19)	(19)	(31)	(31)	(31)	(30)	(30)	(30)	(29)	(29)	
Less: Outstanding Revolver		(17)	(23)	(34)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	
Available from Revolving DIP Loan		237	231	220	202	202	202	202	202	201	202	202	
Total Available Liquidity		438	423	395	358	357	349	345	347	347	350	346	

Comparison of Cash Flow Results to Cash Flow Forecast

For the Eleven Weeks Ended May 3, 2009

(US\$ Millions) (See Accompanying Notes)

Week Ended	Notes	Favourable / (Unfavourable) Variance											Total
		Feb 22	Mar 01	Mar 08	Mar 15	Mar 22	Mar 29	Apr 05	Apr 12	Apr 19	Apr 26	May 03	
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	
RECEIPTS													
Accounts Receivable Collections and Other Inflows	(1)(2)	(9)	12	5	4	6	-	(3)	(9)	(8)	(5)	(7)	(14)
Sale of Assets	(3)	-	(1)	1	-	-	-	-	-	-	-	-	-
Total Receipts		(9)	11	6	4	6	-	(3)	(9)	(8)	(5)	(7)	(14)
DISBURSEMENTS													
Paper and Other Purchases	(4)	5	7	(1)	11	(2)	4	4	8	3	14	2	55
Ink Purchases	(5)	(1)	5	-	1	(4)	7	2	2	-	-	5	17
Change in Outstanding Cheques	(4)(6)	-	(3)	7	(4)	5	(1)	1	(3)	2	(2)	(2)	-
Customer Incentives and Rebates	(7)	-	2	4	2	1	-	-	-	-	-	(1)	8
Payroll, Benefits, and Payroll Taxes	(8)	3	1	4	1	1	(1)	1	3	1	1	3	18
Workers Compensation Premiums		-	-	-	-	-	-	-	-	-	-	-	-
Pension Contributions		-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees		-	-	(1)	(3)	1	-	(1)	(2)	1	-	(1)	(6)
Capital Expenditures	(9)	1	-	1	1	1	-	(1)	1	2	(1)	1	6
DIP Fees and Interest		-	-	-	-	-	-	-	-	-	-	(4)	(4)
Other Disbursements	(10)	-	3	4	(3)	-	(1)	(1)	-	-	(1)	1	2
Total Disbursements		8	15	18	6	3	8	5	9	9	11	4	96
Net Cash Flow from Operations		(1)	26	24	10	9	8	2	-	1	6	(3)	82
DIP Advances / (Repayments)	(11)	-	12	(18)	(2)	4	4	3	-	3	3	6	15
Estimated Non-Petitioners Financing Requirement		-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Translation		1	-	-	-	-	-	-	-	-	-	-	1
Cash Collateral Paid		-	-	-	-	-	-	-	-	-	-	-	-
NET CASH FLOW		-	38	6	8	13	12	5	-	4	9	3	98
Opening Unrestricted Cash Position		-	-	38	44	52	65	77	82	82	86	95	-
CLOSING UNRESTRICTED CASH POSITION		-	38	44	52	65	77	82	82	86	95	98	98
Cash Collateral Held by Cash Management Bank		-	(1)	(1)	(1)	-	-	-	-	-	-	-	-
Closing Cash Position	(12)	-	37	43	51	65	77	82	82	86	95	98	98
DIP LOAN													
<i>Continuity Roll Forward</i>													
Opening DIP Position		-	1	10	(8)	(22)	(18)	(13)	(9)	(8)	(5)	(2)	-
Advances / (Repayments)		-	12	(18)	(2)	4	4	3	1	3	3	6	-
Letters of Credit Issued		-	(3)	-	(12)	-	1	1	-	-	-	-	-
Foreign Currency Translation		1	-	-	-	-	-	-	-	-	-	-	-
Closing DIP Position		1	10	(8)	(22)	(18)	(13)	(9)	(8)	(5)	(2)	4	-
<i>Outstanding Advances by Facility</i>													
Term Loan		-	-	-	-	-	-	-	-	-	-	-	-
Revolving Loan		1	12	(6)	(8)	(4)	-	3	4	7	10	16	-
Letters of Credit	(13)	-	(3)	(3)	(15)	(15)	(14)	(13)	(13)	(13)	(12)	(12)	-
Closing DIP Position		1	9	(9)	(23)	(19)	(14)	(10)	(9)	(6)	(2)	4	-
AVAILABLE LIQUIDITY													
Unrestricted Cash Position		-	38	44	52	65	77	82	82	86	95	98	-
Revolving DIP Loan		-	-	-	-	-	-	-	-	-	-	-	-
Lesser of:		-	-	-	-	-	-	-	-	-	-	-	-
(i) Gross Borrowing Base		-	-	-	(16)	(16)	(16)	(16)	(16)	(40)	(40)	(40)	-
(ii) Facility Limit		-	-	-	-	-	-	-	-	-	-	-	-
Less: Outstanding Letters of Credit		-	3	3	15	15	14	13	13	13	12	12	-
Less: Outstanding Revolver		(1)	(12)	6	8	4	-	(3)	(4)	(7)	(10)	(16)	-
Available from Revolving DIP Loan		(1)	(9)	9	6	2	(3)	(6)	(7)	(34)	(38)	(44)	-
Total Available Liquidity		(1)	29	53	58	67	74	76	75	52	57	54	-

Comparison of Actual Cash Flow Results to Cash Flow Forecast

For Eleven Weeks Ended May 3, 2009
(US\$ Millions)

Limitations

This comparison (the “**Cash Flow Comparison**”) of the actual cash flow results of the consolidated North American operations for the eleven weeks ended May 3, 2009 to that projected in the cash flow forecast (the “**Cash Flow Forecast**”) attached to the 22nd Report of the Monitor is based on unaudited financial information, the Petitioners’ records, financial information prepared by the Petitioners, discussions with management and employees of the Petitioners, and information from various other sources. The Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Cash Flow Comparison, and, accordingly, the Monitor expresses no opinion or other form assurance with respect to the Cash Flow Comparison.

Basis of Preparation

Due to information system constraints, the timing of the recognition of disbursements between the actual cash flow results and the Cash Flow Forecast differs. The actual cash flow results are initially reported on a “cheques cleared” basis (i.e. when a cheque is debited against the Petitioners’ bank account) from the Petitioners’ information systems. As such, the actual disbursements reported for a given week exclude cheques written and released but not cleared through the Petitioners’ bank accounts that week. In contrast, the Cash Flow Forecast reflects disbursements on a “cheques released” basis, irrespective of when the cheques are processed through the Petitioners’ bank accounts. To compensate for the timing difference, the Petitioners manually adjust the actual cash flow results and cash position to a “cheques released” basis by including the weekly change in outstanding cheques as an additional disbursement category in the actual cash flow results. The reader is cautioned that the amount of outstanding cheques may affect a line by line comparison between the actual cash flow results and the Cash Flow Forecast.

Notes on Significant Variances

Management advised that the primary factors affecting the significant variances between the actual cash flow results and those projected in the Cash Flow Forecast were as follows:

(1) **Accounts Receivable Collections**

Accounts receivable collections totalled \$619 million and were \$11 million (approximately 2%) less than projected in the Cash Flow Forecast for the eleven week period. The current unfavourable variance was largely attributed to lower than forecasted sales and the application of rebates against amounts collected from certain customers.

(2) **Other Inflows**

Other inflows represent various miscellaneous and non-trade cash receipts, including proceeds from scrap paper sales. During the eleven week period, other inflows totalled \$36 million and were \$3 million (approximately 9%) lower than projected in the Cash Flow Forecast.

(3) **Sale of Assets**

QWI closed the sale of an non-operating and redundant real property owned by QWI in Montréal (Québec) during the week ended March 8, 2009 for gross proceeds of approximately \$1 million.

(4) **Paper and Other Purchases**

Paper and other purchases (including the change in outstanding cheques) totalled \$319 million and were \$55 million (approximately 15%) less than projected in the Cash Flow Forecast for the eleven week period. The current economic recession has significantly lessened customer demand for the printing and other services offered by the Petitioners and, accordingly, the Petitioners have adjusted operations at its facilities and are aggressively managing costs. The favourable variance was attributable to the level of operations being lower during the eleven week period than contemplated in the Cash Flow Forecast.

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(5) Ink Purchases

Ink purchases totalled \$44 million and were \$15 million (approximately 25%) less than projected in the Cash Flow Forecast for the eleven week period. As noted above, the favourable variance was primarily attributable to the level of operations being lower than contemplated in the Cash Flow Forecast.

(6) Change in Outstanding Cheques

The actual cash flow results and cash position are reported each week on a “cheques cleared” basis due to constraints within the Petitioners’ information systems. To derive a cash position on a “cheques released” basis for cash flow reporting purposes, the cash position is reduced by the amount of outstanding cheques. The weekly fluctuations in the cheque float are then reflected in the “Change in Outstanding Cheques” disbursement category.

(7) Customer Incentives and Rebates

The Cash Flow Forecast projected the balance of the annual customer rebates would be paid out by the week ending March 22, 2009. Of the \$8 million favourable variance for the eleven week period, rebates totalling \$5 million were applied as credits against the current customer invoices and, as a result, reduced accounts receivable collections rather than being shown as customer incentives and rebates. The Petitioners anticipate the remainder of the variance will reverse in the coming weeks.

(8) Payroll, Benefits and Payroll Taxes

Payroll, benefits and payroll taxes totalled \$185 million and were \$18 million (approximately 9%) less than projected in the Cash Flow Forecast for the eleven week period. The favourable variance was attributed to the projected expenditures in the Cash Flow Forecast being conservative in relation to the current level of production.

(9) Capital Expenditures

Reported capital expenditures totalled \$16 million and were \$6 million (approximately 27%) less than projected Cash Flow Forecast for the eleven week period. The significant favourable variance continues to be primarily attributed to the deferral or cancellation of unapproved capital projects. Moreover, as noted in prior reporting periods, the Petitioners’ information systems are unable to fully capture capital expenditures on a weekly cash flow basis and, as a result, some of the variance may be due to the inclusion of the capital expenditure payments within other disbursement categories.

(10) Other Disbursements

Other disbursements include, among other things, payments with respect to insurance premiums, corporate restructuring costs, property taxes and rent.

(11) DIP Advances

QWI drew an additional \$33 million from the Revolving Loan Facility during the eleven week period raising the total advances to \$52 million at May 3, 2009. QWI continued to make a number of significant payments on behalf of the U.S. Petitioners including those for restructuring professional fees and other corporate related expenses. In addition, QWI paid a disproportionate amount of the customer incentives and rebates as well as the approved employee incentive plan payments. These payments depleted the funds that would have been otherwise available to support ongoing Canadian operations. As the Canadian operations are unable to access the excess unrestricted cash held by the U.S. operations, QWI has needed to draw on the Revolving Loan Facility.

(12) Closing Cash Position

The closing cash position at May 3, 2009 represents the consolidated balance of the Petitioners’ bank accounts for its North American operations of \$307 million (\$21 million held by QWI and \$286 million held by the U.S. Petitioners) less outstanding cheques of \$24 million.

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(13) Letters of Credit Issued

Issuance of the letters of credit required under a series of purchase agreements with an equipment manufacturer was deferred from the week ending March 15, 2009 until after May 10, 2009.