

Comparison of Actual Cash Flow Results to Cash Flow Forecast  
For Six Weeks Ended March 23, 2008  
(US\$ Millions)(See Accompanying Notes)

Week Ended	Notes	Actual Cash Flow Results						Cash Flow Forecast						Variance from Forecast									
		Feb 17	Feb 24	Mar 02	Mar 09	Mar 16	Mar 23	Total	Feb 17	Feb 24	Mar 02	Mar 09	Mar 16	Mar 23	Total	Feb 17	Feb 24	Mar 02	Mar 09	Mar 16	Mar 23	Total	
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6		
<b>RECEIPTS</b>																							
	(1)	66	88	66	77	82	76	455	74	72	70	72	78	70	436	(8)	16	(4)	5	4	6	19	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		66	88	66	77	82	76	455	74	72	70	72	78	70	436	(8)	16	(4)	5	4	6	19	
<b>DISBURSEMENTS</b>																							
	(2)	(35)	(35)	(38)	(48)	(48)	(54)	(258)	(45)	(48)	(48)	(43)	(47)	(45)	(276)	10	13	10	(5)	(1)	(9)	18	
		(4)	(5)	(5)	(5)	(5)	(4)	(28)	(6)	(6)	(6)	(6)	(6)	(6)	(35)	2	1	1	1	1	2	7	
	(2)(3)	(6)	(3)	(3)	(8)	3	3	(14)	-	-	-	-	-	-	-	(6)	(3)	(3)	(8)	3	3	(14)	
		(9)	-	-	(1)	-	-	(10)	(9)	(3)	-	(1)	(1)	(1)	(15)	-	3	-	-	1	1	5	
	(4)	(21)	(19)	(24)	(21)	(22)	(21)	(128)	(28)	(28)	(28)	(28)	(28)	(28)	(168)	7	9	4	7	6	7	40	
		-	-	-	-	(17)	-	(17)	-	-	(19)	-	-	-	(19)	-	-	19	-	(17)	-	2	
		(1)	(1)	(1)	(1)	(1)	(6)	(11)	-	-	-	(4)	-	-	(4)	(1)	(1)	(1)	(1)	3	(6)	(7)	
	(2)(5)	-	-	-	(2)	-	-	(2)	(2)	(2)	(2)	(1)	(1)	(1)	(8)	2	2	2	(1)	1	1	6	
	(6)	-	-	(1)	(1)	(1)	(1)	(4)	(8)	(6)	(3)	(2)	(5)	(2)	(26)	8	6	2	1	4	1	22	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		-	-	-	(9)	-	(1)	(10)	-	-	-	(9)	-	-	(9)	-	-	-	0	-	(1)	(1)	
		-	-	-	-	-	-	-	(2)	-	-	(1)	(1)	(1)	(5)	2	-	-	1	1	1	5	
		(76)	(63)	(72)	(96)	(91)	(84)	(482)	(99)	(92)	(106)	(91)	(93)	(84)	(565)	23	29	34	(5)	2	-	83	
		(10)	25	(6)	(19)	(9)	(8)	(27)	(25)	(20)	(36)	(19)	(15)	(14)	(129)	15	45	30	0	6	6	102	
<b>Estimated Non-Petitioners</b>																							
	(7)	(3)	-	(7)	-	-	-	(10)	(3)	(41)	-	-	-	-	(44)	-	41	(7)	-	-	-	34	
	(8)	-	(20)	-	(20)	-	-	(40)	(20)	-	-	-	-	-	(20)	20	(20)	-	(20)	-	-	(20)	
<b>NET CASH FLOW</b>																							
		(13)	5	(13)	(39)	(9)	(8)	(77)	(48)	(61)	(36)	(19)	(15)	(14)	(193)	35	66	23	(20)	6	6	116	
		237	224	229	216	177	168	237	237	189	128	92	73	58	237	-	35	101	124	104	110	-	
<b>CLOSING UNRESTRICTED CASH POSITION</b>																							
		224	229	216	177	168	160	160	189	128	92	73	58	44	44	35	101	124	104	110	116	116	
<b>Cash Collateral Held by Cash Management Banks</b>																							
		-	20	20	40	40	40	40	20	20	20	20	20	20	20	(20)	-	-	20	20	20	40	
	(9)	224	249	236	217	208	200	200	209	148	112	93	78	64	64	15	101	124	124	130	136	156	
<b>AVAILABLE LIQUIDITY</b>																							
	(10)	224	229	216	177	168	160	160	189	128	92	73	58	44	160	35	101	124	104	110	116	116	
		143	141	140	140	140	136	136	143	129	117	112	112	112	136	-	12	23	28	28	24	24	
		367	370	356	317	308	296	296	332	257	209	185	170	156	296	35	113	147	132	138	140	140	
<b>DIP LOAN</b>																							
<i>Continuity Rollforward</i>																							
		607	607	609	610	610	610	610	607	607	621	633	638	638	638	-	-	(12)	(23)	(28)	(28)	(28)	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		-	2	1	-	-	4	4	-	14	12	5	-	-	-	-	(12)	(11)	(5)	-	4	4	
		607	609	610	610	610	614	614	607	621	633	638	638	638	638	-	(12)	(23)	(28)	(28)	(24)	(24)	
<i>Outstanding Advances by Facility</i>																							
		600	600	600	600	600	600	600	600	600	600	600	600	600	600	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		7	9	10	10	10	14	14	7	21	33	38	38	38	38	-	(12)	(23)	(28)	(28)	(24)	(24)	
		607	609	610	610	610	614	614	607	621	633	638	638	638	638	-	(12)	(23)	(28)	(28)	(24)	(24)	

**Comparison of Actual Cash Flow Results to Cash Flow Forecast**

For Six Weeks Ended March 23, 2008

(US\$ Millions)

Limitations

This comparison (the "Cash Flow Comparison") of the actual cash flow results of the consolidated North American operations for the six weeks ended March 23, 2008 to that projected in the cash flow forecast attached to the Second Report (the "Cash Flow Forecast") was prepared by the Companies. 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 of 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 Companies' bank account) from the Companies' information systems. As such, the actual disbursements reported for a given week exclude cheques written and released but not cleared through the Companies' 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 Companies' bank accounts. To compensate for the timing difference, the Companies 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 and other inflows include \$12 million received from the sales of scrap paper in February and March. The Cash Flow Forecast did not incorporate scrap paper sales. Management advised that the balance of the favourable variance is timing related and is expected to be reversed during subsequent weeks.
- (2) To review the variance on paper and other purchases, the variances on the change in outstanding cheques (refer to Note (3) below) and professional fees (refer to Note (5) below) should also be considered. Management attributed the combined favourable variance of \$10 million mainly to the accumulation of post-filing credit in excess of that assumed in the Cash Flow Forecast and the delay arising from the time required to process invoices through the Companies' accounts payable system.
- (3) The actual cash flow results and cash position are reported each week on a "cheques cleared" basis due to constraints within the Companies' information systems. To derive a cash position on a "cheques released" basis, the cash position was reduced by the amount of outstanding cheques (the "cheque float"). The weekly fluctuations in the cheque float are captured in the "Change in Outstanding Cheques" disbursement category.
- (4) The projected payroll expenditures in the Cash Flow Forecast were based on the management's preliminary analysis of budgeted payroll expenses. Management has since further reviewed the cash cost of payroll expenses and determined that the amounts initially reflected in the Cash Flow Forecast were conservative. The forecasted payroll expenditures going forward have been further refined accordingly.
- (5) Professional fees are processed and paid through the Companies' trade accounts payable system. Currently, these expenditures are not tracked separately as presented in the Cash Flow Forecast and, therefore, the payment of the majority of professional fees is included in the "Paper and Other Purchases" disbursement category.

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- (6) The Companies have postponed many of the capital projects initially planned for the first half of 2008 until later in the year. As a result, capital expenditures were lower than projected in the Cash Flow Forecast.

The Companies have not yet been able to fully quantify the amount of the variance because their information systems report capital expenditures on a monthly basis, rather than weekly. Accordingly, the amount of capital expenditures shown on the Cash Flow Comparison under the "Capital Expenditures" disbursement category was derived from limited data gathered through an ad hoc process. Any capital expenditures excluded under the "Capital Expenditures" disbursement category would be included under "Paper and Other Purchases". The Companies are in the process of establishing a mechanism to more accurately track capital expenditures on a weekly basis.

- (7) The \$34 million favourable variance with respect to the non-petitioners financing requirement is expected to reverse during the course of the next ten weeks.
- (8) During the week ended March 9, 2008, the Companies transferred \$20 million of cash collateral with respect to the security held by the pre-petition lenders over the assets of Quebecor World Memphis Corp. to a segregated and restricted bank account.
- (9) The closing cash position represents a consolidated balance for the Companies' bank accounts for its North American operations at March 23, 2008 of \$233 million less outstanding cheques of \$33 million.
- (10) In accordance with the terms and conditions of the DIP Loan Agreement, the availability under the Revolving Loan Facility during the six week period was the lesser of:
- (a) \$150 million of interim availability less the amount drawn on the Revolving Loan Facility. During the period, the Companies did not utilize the Revolving Loan Facility other than as required to post letters of credit under the Letter of Credit Sub-Facility; and
  - (b) the amount available under the borrowing base as calculated pursuant to the DIP Loan Agreement. The most recent borrowing based submitted by the Companies (dated as at January 31, 2008) reported borrowing base availability of \$325 million.